# CLASP*Update*

**A CLASP Report on Welfare Developments**

**Jodie Levin-Epstein, Editor**

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## NEW FROM CLASP

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**INSIDE…**



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**Child Care After Leaving Welfare: Early Evidence from State Studies** analyzes data available from state "leavers" studies regarding the child care experiences of families who have left welfare. The paper, authored by Rachel Schumacher and Mark Greenberg discusses the importance and limitations of leavers study data, reviews key findings, and suggests implications for policy and future research.

Leavers studies represent an important early source of information on how respondents are faring once they leave cash assistance. However, caution must be advised in generalizing survey-based leaver study findings to the full population of families who have left welfare due to differences in the states' study methodology and quality. Of particular concern are studies with low response rates, since they do not provide information about the circumstances of the non-responding population.

Despite their limitations, the leaver studies provide early information on a number of issues concerning child care for families who have left welfare.

- Most survey respondents who have left welfare and are working are not receiving child care subsidies.
- Lack of awareness of the child care subsidy system seems a likely contributing factor to limited uptake among responding welfare leaver families.
- Overall, most welfare leaver families who responded to the reviewed surveys report that they rely on friends or relatives for child care arrangements. In contrast, those who are using subsidies are more likely to report that they rely on child care centers.

- Lack of child care was consistently identified as one reason for non-employment among welfare leavers who responded to surveys, but typically it was not the most common reason.

While it is difficult to draw national conclusions from the available data, there is reason to believe that significant numbers of additional families could benefit from child care assistance, and that an opportunity to link those families with a benefit that could support both employment and child well-being is not being fully utilized. Also, other studies have found evidence of declines in Medicaid receipt and food stamp utilization after families leave welfare. States may wish to examine their policies and procedures in order to ensure that families leaving welfare due to employment can effectively access the supports for working families that are intended to be available to them.

**State Opportunities to Provide Access to Postsecondary Education Under TANF**, by Mark Greenberg, Julie Strawn and Lisa Plimpton, focuses on job advancement for TANF recipients who have entered employment and for low income workers more broadly. The paper highlights states' opportunities in *funding* (TANF savings from caseload decline) and *flexibility* (in the 1999 final TANF regulations) to create new and innovative ways to support postsecondary education and training. The flexibility extends to low income parents, both within and outside of the cash assistance programs. The paper discusses:

- **Why access to postsecondary education matters.** Rigorous research on welfare-to-work programs shows that some programs have succeeded in helping welfare recipients find better jobs, and these programs typically include a job training or postsecondary education component. Other, nonexperimental research shows that postsecondary education and training for low-income individuals has a high economic return.

- **How states can support access to postsecondary education under TANF.** A state may use both federal TANF funds and state maintenance of effort funds to support participation in postsecondary education, by paying tuition and other educational costs; paying for child care, transportation and other supportive services; and providing cash assistance to needy parents participating in postsecondary education. A state can use TANF funds to provide support for postsecondary education outside the welfare system, and can support postsecondary education in ways that are not considered "TANF assistance." And a state can use state maintenance of effort (MOE) funds to provide support for postsecondary education outside the TANF cash assistance system.

- **State policies expanding access to postsecondary education within TANF programs.** State work requirement policies and how they treat postsecondary education are described. In 1999, a number of states took legislative or executive action to increase access to postsecondary education and training.

**Making the Link: Pregnancy Prevention in the New Welfare Era** presents the different ways that 3 states have made a link between pregnancy prevention and welfare. Links can include co-location of services, information and education programs, referral services, and the expenditure of TANF funds on pregnancy prevention programs, among other efforts. In addition to telling the distinct stories of California, Washington, and Georgia the report synthesizes the issues that cut across these states so that other states that want to establish or expand on links may gain insights. Authored by Phyllida Burlingame, Rutledge Hutson, and Jodie Levin-Epstein, the report highlights some of the lessons emerging from these states. It also identifies key implementation challenges and the policy or design choices states have made to address them. Included among the report's observations are:

- **These linkages create new institutions and provide new services.** In Washington, a state initiative led to the opening of eight family planning clinics. In Georgia, prior to a new state initiative, some counties had no teen-centered clinics. In places where these clinics already existed, the initiative allowed for an expansion of services or a combination of clinical services and social services for teens.

- **These linkages help overcome existing barriers to accessing services.** For low-income clients who might not have ready access to transportation, simply getting to a family planning clinic can be a challenge. Providing family planning services on site at welfare offices helps these clients by allowing them to combine a family planning visit with their required visit to the welfare office. Another barrier for low-income clients is their perception that they cannot afford the services. Nurses who work out of welfare offices in Washington have found that clients often don't know that Medicaid covers family planning or that women up to 185% of the federal poverty level receive state-funded family planning coverage until one year after their pregnancies. They see it as a critical part of their job to ensure that clients know what services are covered and to help them access these services. California's information project also seeks to alert all cash aid recipients that they are eligible for free or low-cost services.

- **These linkages reach out to new populations.** Providing information about family planning services at welfare offices can also assist clients who don't otherwise know where to go for family planning. At one site in Washington, a nurse based out of a welfare office sees approximately 700 patients per year, one-quarter of whom came to her with unintended pregnancies. In California, an information project twice sent family planning flyers to all cash aid recipients in the state via Medicaid mailings. After the flyer was sent out in February 1999, calls to the toll-free family planning hotline increased by 50% in March.

**Tapping TANF for Youth: When and How Welfare Funds Can Support Youth Development, Education and Employment Initiatives** by Marie Cohen and Mark Greenberg discusses the many ways states and counties can use TANF funds to help at-risk youths. The 1996 welfare law gave states increased flexibility to use TANF funds to support a wide variety of programs and services. Along with increased flexibility, states have more money available for services. Because funding was based on the higher caseloads of the early 1990's, many states have significant amounts of unspent TANF funds. These unspent funds totaled about $7.6 billion nationwide as of the middle of Fiscal Year 1999. Among the programs that can be funded are after-school and summer programs, summer youth employment, youth development programs, and services to teen parents.

**Tapping TANF for Youth** also provides examples of current initiatives, including:

- **South Carolina** is using $8 million in TANF funds in the current fiscal year to fund an after-school program for at-risk middle school students. The program will operate in 16 areas chosen for their high levels of social problems.

- **Los Angeles County** allocated $74 million in unspent TANF funds for fiscal year 2000 to launch the nation's largest after-school child care system. After-school care is being provided at 225 elementary schools with large numbers of children on public assistance. Officials estimate that as many as 16,000 children will be served in FY 2000. The county is also using $35 million in TANF and MOE funds to launch the Community-Based Teen Services Program, which is an effort to integrate services to help teens avoid pregnancy, graduate from high school, read at grade level, and avoid violence.

- **Los Angeles County** is also spending $13.5 million in TANF and MOE funds to replace the expiring federally funded summer youth employment program. The program will provide paid work-based learning opportunities to 9,000 youths from TANF families.

- **Wisconsin** will be spending $15 million in TANF funds over two years on Community Youth Grants, which will be used to provide services to at-risk youth ages 5-18 whose family income does not exceed 200% of the poverty level. Services can include case management, drug and alcohol abuse prevention, identification of learning disabilities, academic remediation and advancement, career counseling, among others.

- **Washington State** is using $1 million in TANF funds to support Americorps members who provide mentoring services to 13-to-17-year-olds from TANF households.

States and counties can support these types of programs with federal TANF and state Maintenance-of-Effort (MOE) funds and can spend not only on youths in TANF families but also other needy youth.

**Fathers Count**, testimony by Vicki Turetsky of CLASP delineates some of the key issues in this bill which is expected to be considered in 2000. The measure, which overwhelmingly passed in the House in 1999**,** would provide $155 million in grants for fatherhood programs. As summarized by Turetsky, "The proposed legislation creates a federal competitive matching grants program available to public and private entities for projects designed to promote marriage, to promote successful parenting, and to help fathers improve their economic status. To participate in a project, an individual must be a father of a child receiving (or previously receiving) TANF, Medicaid, or Food Stamps, or a father (including an expectant father) with income below 175 percent of poverty. The proposed legislation includes $140 million for the competitive grants program and an additional $15 million for national grants to three non-profit fatherhood promotion organizations. The bill that passed the House would have required that

75% of the grant funds go to non-governmental organizations. A number of the elements of the bill intersect with child support issues. Turetsky addresses these and other points.

- The testimony can be found at: http://www.house.gov/ways_means/humres/106cong/10-5-99/10-5ture.htm

# STATE NEWS

## STATE POLICY DOCUMENTATION PROJECT: TANF APPLICATION REQUIREMENTS

The State Policy Documentation Project (SPDP), a joint project of CLASP and the Center on Budget and Policy Priorities, tracks TANF policy decisions in the 50 states and DC. The project collects information on state policy, not practice. SPDP information on application requirements reflects policies in effect as of the end of 1998.

**TANF Applications**. Unlike federal AFDC policy, the TANF statute does not require states to agree to accept all applications for cash assistance, nor to process applications within a specified time period. It allows states to require families to meet specified conditions before they can have their TANF applications processed or even before they can submit applications.

Nevertheless, policies in all 50 states and DC provide that all persons have a right to file an application. All states have policies requiring prompt processing of applications, generally within 30 or 45 days from the date the application is submitted. Some 49 states use joint applications for cash assistance and Food Stamps, and 48 states use joint applications for cash assistance and Medicaid. A minority of states uses joint applications for cash assistance and other benefits such as child care, emergency assistance, general assistance, or state medical assistance.

**Pre-Application Requirements.** Three states–Arkansas, South Dakota and Wisconsin–impose formal requirements that a family seeking cash assistance must meet before it can submit an application. The requirements include signing a personal responsibility contract, participating in an employability assessment, conducting a job search, and agreeing to cooperate with child support enforcement requirements. South Dakota exempts individuals who meet a work requirement exemption criterion from pre-application requirements; in the other two states the requirements are imposed on all applicants.

**Pending Application Requirements.** "Pending" application requirements must be met while a family's application for TANF-funded assistance is being processed. If the family does not meet pending application requirements, the state stops processing the application and does not determine or denies the family's eligibility for cash assistance. (Requirements that do not affect the determination of eligibility at application, but result in a sanction, are not included here.)

The following 32 states impose one or more pending application requirements: Alabama, Arkansas, Connecticut, District of Columbia, Florida, Georgia, Hawaii, Idaho, Illinois, Indiana, Kansas, Maine, Maryland, Massachusetts, Michigan, Mississippi, Missouri, Nevada, New Hampshire, New Jersey, New York, North Carolina, Ohio, Oklahoma, Oregon, Pennsylvania, South Carolina, Texas, Vermont, West Virginia, Wisconsin and Wyoming. Some applicants are exempt from the requirements in 15 of the 32 states.

Requirements families must meet while their applications are pending include:

- Conducting a job search is required in 20 states;
- Cooperating with child support enforcement requirements is required in 17 states;
- Participating in an employability assessment is required in 13 states;
- Signing a personal responsibility contract is required in 12 states;
- Attending an orientation is required in 10 states; and
- Beginning a work activity other than job search is required in 7 states.

In the next issue of CLASP Update, state policies on personal responsibility contracts and employability plans that families must develop and sign as a condition of receiving cash assistance will be described.

➢ For 50-state comparison tables on TANF application requirements and more detailed descriptions of each state's policies, visit the SPDP website at http://www.spdp.org.

## STATES WIN WELFARE HIGH PERFORMANCE BONUSES

In December 1999 HHS Secretary Donna Shalala announced the winners of the first high performance bonuses created to reward states for outstanding results in welfare reform. Created by the 1996 welfare reform legislation, the $200 million bonus was given to states which moved the most parents on welfare into jobs and showed strong retention rates.

HHS reports that in the 46 states which competed for the bonuses, 1.3 million adult recipients nationwide went to work in the one-year period between October 1997 and September 1998; 80 percent of those who had jobs were still employed three months later. The average increase in earnings for former welfare recipients was $2,088 in the first quarter of employment to $2,571 in the third quarter.

States were awarded for strong results in job entry (job placement), job success (as measured by retention and increase in earnings), improvement in job placement, and improvement in job success. The award amount was allocated among the four categories, with the winning states in each category receiving an amount proportionate to their percentage of the TANF block grant. The highest ranked states were the following: Indiana (job entry), Minnesota (job success), Washington (most improvement in job entry between 1997 and 1998), and Florida (most improvement in job success between 1997 and 1998). Eleven states received bonuses in two categories and Minnesota ranked in the top ten in three categories. The bonus amounts ranged from $500,000 for South Dakota to $45,000,000 for California.

In announcing the bonuses, Secretary Shalala said, "I'm very pleased that these states have demonstrated results in helping welfare recipients enter the workforce, and succeed there. The job retention rates and earnings increases, in particular, show us that there are promising strategies for helping low-income parents make the transition from dependence to self-sufficiency. I hope all states will use the lessons learned to invest in efforts that will help even more welfare recipients obtain, keep, and earn more in their jobs."

**HIGH PERFORMANCE BONUS**
**FY 1999 Awards by Category Amount**

| | | Performance | | Improvement | |
|---|---|---|---|---|---|
| **State** | **Bonus Amounts** | **Job Entry** | **Success in the Workforce*** | **Job Entry** | **Success in the Workforce*** |
| **Arizona** | $ 2,707,663 | $ - | $ 1,981,530 | $ - | $ 726,133 |
| **California** | 45,454,194 | - | 33,264,424 | - | 12,189,770 |
| **Connecticut** | 2,376,804 | - | 2,376,804 | - | - |
| **Delaware** | 1,614,549 | 943,705 | - | 670,844 | - |
| **Florida** | 6,845,732 | - | 5,009,864 | - | 1,835,868 |
| **Hawaii** | 881,139 | - | 881,139 | - | - |
| **Illinois** | 21,571,929 | 19,661,897 | - | - | 1,910,032 |
| **Indiana** | 8,792,222 | 6,949,858 | 1,842,364 | - | - |
| **Iowa** | 1,171,750 | - | 1,171,750 | - | - |
| **Louisiana** | 3,770,174 | - | - | 3,770,174 | - |
| **Massachusetts** | 10,562,223 | - | - | 10,562,223 | - |
| **Michigan** | 2,531,289 | - | - | - | 2,531,289 |
| **Minnesota** | 9,424,075 | - | 2,387,466 | 6,161,720 | 874,889 |
| **Nevada** | 2,198,838 | 1,285,222 | - | 913,616 | - |
| **New York** | 7,975,420 | - | - | - | 7,975,420 |
| **North Dakota** | 887,213 | 887,213 | - | - | - |
| **Oklahoma** | 3,403,245 | - | - | 3,403,245 | - |
| **Pennsylvania** | 24,180,074 | 24,180,074 | - | - | - |
| **Rhode Island** | 2,495,027 | - | - | 2,184,811 | 310,216 |
| **South Carolina** | 1,216,973 | - | 890,609 | - | 326,364 |
| **South Dakota** | 503,393 | - | - | 503,393 | - |
| **Tennessee** | 6,436,504 | 6,436,504 | - | - | - |
| **Texas** | 16,341,537 | 16,341,537 | - | - | - |
| **Utah** | 2,581,985 | 2,581,985 | - | - | - |
| **Washington** | 10,616,733 | - | - | 9,296,714 | 1,320,019 |
| **West Virginia** | 2,533,260 | - | - | 2,533,260 | - |
| **Wyoming** | 926,055 | 732,005 | 194,050 | - | - |
| **Total** | $ 200,000,000 | $ 80,000,000 | $ 50,000,000 | $ 40,000,000 | $ 30,000,000 |

*Ranks of Job Retention and Earnings Gain measures weighted, combined and then re-ranked.

*Last Updated on 12/3/99*
*By ACF*

## MEDICAID OUTREACH STRATEGIES: WASHINGTON

*Submitted to CU by Cassie Sauer of the Washington's Children's Alliance*

Many people across Washington State are celebrating the drastic reduction in the numbers of people receiving welfare. However, thousands of adults and children have lost health insurance as a result of welfare reform—perhaps as many as 100,000. Welfare and health coverage were mistakenly bundled—when families left welfare, they were cut off health coverage, even though this is a clear and direct violation of federal law.

Columbia Legal Services, the Children's Alliance, and Welfare Rights Organizing Coalition are pleased to be working with the Department of Social and Health Services to develop a solution to this problem. Changes to policies and systems have been negotiated that will ensure that every eligible family gets the health coverage it needs, and families who have been improperly terminated in the past are provided some relief.

The negotiations have resulted in a plan to:

- Stop improperly cutting off families from health care when they leave TANF.
- Continue Medicaid for families who ask to stop their cash benefits, unless they confirm in writing that they also want health coverage stopped.
- Make significant changes to ACES, the state's computer system, that will stop the computer from automatically terminating families' health coverage.
- Reinstate adults and children who were improperly terminated from health coverage since 1997 for a period of 90 days. These families' cases will be reviewed to see if they are eligible to continue to receive health coverage, and can apply to have their past medical bills paid for.
- Stop repeated requests by the state for information from families that they have already provided, and stop requests for information and verification not necessary for Medicaid eligibility.

For welfare reform to work, people who move from welfare into low wage jobs need health coverage. Congress recognized this as essential to welfare reform's success when it placed safeguards in the federal welfare reform bill and provided $500 million in funding to assist states to maintain health care for needy families. Washington state's share of these funds is about $10 million. The state has only spent only $2.1 million, according to the federal Health Care Financing Administration, but has until March 2000 to spend the rest.

The negotiations have been productive, and many agreements have been reached. Several key things remain to be done in order to ensure that families receive the health benefits to which they are legally entitled:

- The Governor and welfare administrators need to provide enough funding and staff to ensure that the plan is implemented fully and correctly.
- Some proposed changes are temporary. Welfare administrators need to ensure that these measures are made permanent through policy, system and computer changes.
- The Legislature and the Governor need to simplify eligibility for the state's health coverage for adults. Complex eligibility rules lead to caseworker error and family confusion.
- Washington's welfare policy makers should put equal value on making sure families have the tools they need to be self-sufficient as on reducing welfare caseloads. It is time to move beyond cutting caseloads as the sole measure of success of welfare reform. People need all the resources necessary to go to work and stay on the job.

"I did everything I was supposed to do—I found a job and turned in all the paperwork to continue my medical benefits—and I still lost Medicaid coverage for me and my two children," says Saundra Haddix-Hamilton, a former welfare recipient. Ms. Haddix-Hamilton had to make multiple contacts with state agencies in order to get her benefits reinstated.

In Washington state, the loss of health insurance is a continuing problem for those leaving public assistance. State-conducted surveys of families who have recently left welfare show that 32-35% of adults and 18-20% of children have no health insurance, though most families are eligible for Medicaid. The median income of families moving off welfare is 113% of the federal poverty level, well below the eligibility cutoffs for Medicaid. At that level, all of the children and most adults are legally entitled to medical benefits.

➢ For more information, contact Cassie Sauer at The Children's Alliance, 206/324-0340 cassie@childrensalliance.org

## DOMESTIC VIOLENCE VICTIMS FACE MORE BARRIERS: WISCONSIN

In September 1999, a report by the Institute for Wisconsin's Future found that nearly 70 percent of survey respondents did not tell W-2 agencies that they were victims of domestic violence. The results were based on 274 surveys completed by victims of domestic violence during the fall of 1998. Respondents were primarily single mothers with a high school diploma or less; most has received AFDC at some time and more than half had been or were currently enrolled in W-2.

> Nearly 70% did not tell that they were victims of domestic violence

The report's major findings are as follows:

- **Domestic violence has a severe negative impact on low-income women's ability to maintain jobs and to succeed at education and training efforts.** Approximately 30 percent of respondents reported that they were fired or lost a job because of domestic abuse and 35 percent report that the abuse hurt their education and training efforts. More than half of those surveyed indicate that they were threatened to the point where they were afraid to go to work or school.

- **Women who are currently being abused are less likely to be employed than are women who were abused in the past, regardless of education level or age.** Employment rates of women who had been abused in the past were considerably higher (54.9%) than those of women who were currently being abused (38.4%). While all victims suffered physically and emotionally in ways that affected their ability to work, the daily disruption caused by current abuse hinders stable participation in the work force or education programs.

- **Victims of domestic violence are being overlooked under W-2.** Currently the only W-2 mechanism for identifying victims of abuse is voluntary disclosure, a method that the report finds ineffective since the vast majority of W-2 participants surveyed did not disclose their abuse to the W-2 agencies. Without a systematic method of screening for abuse, agency caseworkers are generally unable to identify this population and therefore cannot develop accurate assessments of participants' job readiness and need for supportive services.

- **When W-2 participants do disclose domestic violence, W-2 caseworkers frequently fail to advise the women of available support services, program options, or exemptions from certain regulations.** Approximately 75 percent of the respondents who disclosed abuse were not informed of counseling, housing funds, or information on use of W-2 work hours to seek help, all of which are available through W-2. Only 4.9 percent of those who disclosed that they had been victims of domestic violence were told that they might have good cause for non-cooperation with child support enforcement rules.

The report suggested several ways of changing W-2 to better serve victims of domestic violence, including caseworker training on the safety and confidentiality issues associated with domestic violence; the development of assessment tools to consistently identify abuse; universal notification of program options; clarification of "good cause" exemptions; and partnerships with domestic violence advocacy and service groups.

➢ For more information, contact the Institute for Wisconsin's Future, (414) 384-9094, eiwf@execpc.com, http://www.execpc.com/~iwf

## TANF EMPLOYMENT INNOVATIONS: IOWA

*Submitted to CU by Gloria Conrad, Iowa DHS*

The Iowa Department of Human Services is developing a post-employment pilot program to provide services and short-term benefits to current TANF recipients (called the Family Investment Program or FIP in Iowa). The pilot is designed to provide recipients the skills necessary to retain employment, gain job advancement, move off FIP and achieve economic self-sufficiency. This program is one of several designed to enhance the employability of current and past TANF recipients:

**Post-Employment Program** -- The services offered in the new pilot may include, but are not limited to: intensive case management, skill building workshops, employer-based services, mentoring, and monetary payments in the form of Family Self-Sufficiency Grants.

**Community Self-Sufficiency Grants** -- These grants are available to fund local collaborative pilot demonstrations which can apply innovative ways to remove community-wide or systemic barriers that impede the ability of PROMISE JOBS participants (FIP eligible-people) to become and remain successfully employed. Projects include increasing the level of employment of one of Iowa's poorest areas through the effort of providing more child care during non-traditional work hours and providing a referral system to help facilitate the repair of cars through a network of car repair shops.

**Post-FIP Diversion** -- This pilot program provides services for up to 12 months after a recipient leaves the FIP program, to help the former recipient navigate through the transition from FIP to work. There must continue to be an eligible child in the home and family gross income must be at or below 200% of federal poverty levels.

Examples of services include:

- Car repair or maintenance
- Relocation costs
- Telephone deposit and hook-up charges
- Licensing fees
- Child care

➢ For more information, please contact Gloria Conrad at GCONRAD@dhs.state.ia.us

## COUNTY TANF INNOVATIONS: WASHINGTON COUNTY, OHIO

Washington County, Ohio (in the state's Appalachian region) has taken advantage of the opportunity posed by the availability of a large pool of TANF funds, combined with a dramatic fall in its cash assistance caseload. Ohio gives its counties considerable flexibility to decide how, and on whom, to spend their TANF funds. Under the state's Prevention, Retention and Contingency Program, counties can extend eligibility for TANF-funded "non-assistance" services beyond the population eligible for Ohio Works First (OWF), Ohio's TANF cash assistance program. The county now has only 19 families that are under time limits, plus 180 child-only cases.

In Washington County, a Human Services Director, Mike Paxton, and a County Commission that shares his goals, has taken advantage of this new flexibility and reduced need for cash assistance by channeling TANF funds to a number of new uses, all aimed at preventing poverty among future generations. These new uses include:

- **Educational Enrichment:** The county has used TANF funds to adopt the Kids on Campus program, which provided a three-week camp last summer that included tutoring, physical activities, games, and trips to museums and historical sites. The Department of Human Services has just allocated $1 million in TANF funding to expand the summer camp and to provide after-school homework help in all the county schools. Students will receive a snack and transportation to their homes.

- **Social Workers in Schools:** The county is using TANF funds to expand the School Outreach Program, which provides social workers in the schools to work with at-risk children. The TANF funds will be used to hire new, specialized staff with reduced caseloads to serve the most troubled youths.

- **Head Lice Prevention and Treatment:** TANF funds were used to contract with a community action program to visit the homes of children who are absent due to head lice and shows families how to use anti-lice materials and provides any other needed items to prevent a recurrence, such as vouchers for laundry services and new vacuum cleaner bags. Mr. Paxton conceived of the program when he learned that, in one school, head lice were responsible for 19 children missing a total of 222 days of school.

- **Assistance to noncustodial parents.** The county has used TANF funds to provide job search assistance and job training to non-custodial parents, identified by the courts, who are not able to pay child support because they are not employed.

- **Other proposed uses:** The county Department of Human Services has also proposed using TANF funds to help families with emergency needs that, if not met, might result in foster care placement for the children; to enable the police to take care of family needs that occur when DSS is closed; to pay for a home repairs for low-income families; and to enable schools or police to give out awards for good behavior.

In an interview with **CU**, Mr. Paxton explained the direct impact that one of these programs had on needy kids. When he visited the Kids on Campus Program, "I was amazed and got goose bumps seeing what was occurring. First, these kids were from all over the county and were mixed in together. Second, kids were racing to get off the bus and into the school. We had kids who gave up their vacations with parents, so that they could stay with grandparents so as not to miss out on any of the activities. We had kids who wouldn't have been able to attend any activities during the summer in which cost of admittance would have been charged. We had children with prostheses, children who were deaf, all mixed together…I saw kids learning, because they were being taught in different ways that may not be possible in a traditional classroom. Lastly, when I run into parents and they come up and tell me thanks and how much better things are for their kids as a result of the Kids on Campus program, that makes it all worthwhile to all of us."

When falling caseloads and new flexibility created the opportunity for Washington County to put in place new TANF-funded programs, Mike Paxton thought about two weeks that he spent as a child with another family in Rhode Island. Even though he came from a middle-class family, spending this time with a different family resulted in a huge change in his goals and world view, giving him a broader vision. For poor children in Appalachia, sometimes all it takes to improve outcomes is exposure to a broader world. "We wanted to be able to affect the next generation," Mr. Paxton explains. If we can do something with that generation, to keep them involved and engaged in the school system, we believe we can impact the number of people who will eventually show up at our doors."

Mr. Paxton stresses that it is the large reduction in his county's TANF caseload that has allowed the county to use its funds for all of these initiatives. This reduction, he says, "gives us much more freedom to look at funding areas that might effect future generations with hope to keep them from coming onto our system. If we didn't have the small OWF caseload under time limits, my funding would need to be much more targeted to getting the current OWF's into a job rather than working to keep future generations from falling into our system."

# HUNGER

## HUNGER AND HOMELESSNESS ON THE RISE

The US Conference of Mayors, a nonpartisan organization of cities with populations of 30,000 or more, released its *1999 Status Report on Hunger and Homelessness in America's Cities* in mid December. The report, a survey of 26 major cities whose mayors were members of its Task Force on Hunger and Homelessness, shows hunger and homelessness growing despite the thriving national economy. The survey collected information and estimates from each city on indications of hunger and homelessness such as the demand for and availability of emergency food and shelter, the causes and demographics of those suffering from these problems, and cities' efforts to respond to them.

> "'Just because more people are depending on food pantries does not mean they are worse off under W-2,' [Kevin] Keane [Wisconsin Governor Tommy Thompson's spokesman] said… 'People earn their own cash now and they're a lot more protective of their cash, and they're looking to make their cash stretch,' he said. 'Maybe if they get a bag of groceries or two, that helps them stretch their dollar further.'"
>
> "W-2 participants face deadline; State giving hardest cases more time," Milwaukee Journal Sentinel, Dec. 17, 1999

The following findings, as excerpted from the summary of the Status Report, highlight what Denver Mayor and Conference President Wellington E. Webb calls "the unfortunate and sadly ironic effect that prosperity has on the poor in cities. [The] economy has simply driven up housing costs and reduced the supply of affordable housing – putting many people on the streets and into shelters."

> "The pantries now find themselves open in the evening and early-morning hours so that they can provide emergency food assistance to working people whom welfare reformers might laud as 'self-sufficient' but who cannot make it on their wages. 'A lot of people will come in at their lunch hours,' said Claudette Tharp, food programs manager for the Community Service Council for Chester County."
>
> "Relief pantries feel crush, despite jobs" Philadelphia Inquirer, December 10, 1999

- Officials in the survey estimate that during the past year requests for emergency food assistance increased by an average of 18 percent, with 85 percent of the cities registering an increase, growing at the highest level since 1992.
- On average, 21 percent of the requests for emergency food assistance are estimated to have gone unmet during the last year. For families alone, 19 percent of the requests for assistance are estimated to have gone unmet. In 54 percent of the cities, emergency food assistance facilities may have to turn away people in need due to lack of resources.
- 58 percent of the people requesting emergency food assistance were members of families – children and their parents. 67 percent of the adults requesting food assistance were employed.
- In 73 percent of the cities emergency food assistance facilities have had to decrease the number of bags of food provided and or the number of times people can receive food.

- Low paying jobs lead the list of causes of hunger identified by the city officials. Other causes cited include unemployment and other employment-related problems, high housing costs, poverty, substance abuse, and food stamp cuts.
- During the past year requests for emergency shelter increased in the survey cities by an average of 12 percent, its highest level of growth since 1994, with 69 percent of the cities registering an increase.
- An average of 25 percent of the requests for emergency shelter by homeless people overall and 37 percent of the requests by homeless families alone are estimated to have gone unmet during the last year. In 77 percent of the cities, emergency shelters may have to turn away homeless families due to lack of resources; in 73 percent they may also have to turn away other homeless people.
- Lack of affordable housing lead the list of causes of homelessness identified by the city officials. Other causes cited include substance abuse and the lack of needed services, low paying jobs, domestic violence, mental illness and lack of needed services, poverty, changes and cuts in public assistance, and the lack of access to affordable healthcare.
- In 65 percent of the cities, families may have to break up in order to be sheltered. In 62 percent of the cities families may have to spend their daytime hours outside of the shelter they use at night.
- Officials in 84 percent of the responding cities expect requests for emergency food assistance to increase during 2000. 83 percent expect that requests for emergency food assistance by families with children will increase during 2000. Officials in 92 percent of the cities expect that requests for emergency shelter will increase next year. 92 percent expect that requests by homeless families will increase.

Upon the release of the report, Burlington Mayor and Conference Task Force Chair Peter Clavelle remarked, “Unfortunately, our nation’s unprecedented prosperity is not reaching our own citizens. Usually task forces for the US Conference of Mayors are established to respond to immediate problems, and they exist for no more than three or four years. I’m sad to say that our Task Force on Hunger and Homelessness is now 15 years old, making it the oldest task force in the conference by far, and this year’s results show we will be here next year as well.”

➢ *1999 Status Report on Hunger and Homelessness in America’s Cities* is available online at http://www.usmayors.org/uscm/new/press_releases/hhrelease.htm or contact Tony Iallonardo at (202) 861-6772.

## REPRODUCTIVE HEALTH & WELFARE
## TEENS & WELFARE

## CONGRESS INCREASES ADOLESCENT FAMILY LIFE ACT FUNDING

Congress ended the year with a surprise: a doubling of the Adolescent Family Life Act budget. AFLA, a program established in 1981 to promote care for pregnant and parenting teens as well as to prevent teen pregnancy (through abstinence education), was funded at $18 million in FY 99. The approved FY 2000 appropriation is $40 million. However, only $2 million of the new money is available in FY 2000. The remaining $20 million has been "pre-obligated" for the program for FY 2001.

The AFLA increase results from the House Republican leadership's interest in moving the Appropriations bill. The Republican leadership, according to the Guttmacher Report on Public Policy (December 1999) was concerned that controversial amendments to Title X might delay consideration of the Appropriations measure. They pressured Republicans who traditionally introduce such measures as parental notification for minors' access to contraceptives services to hold off. In exchange, the Republican leadership pursued and secured an increase for AFLA.

While AFLA funding was increased, so too was Title X. President Clinton vetoed an initial version of the appropriations bill, citing, among other reasons, too little funding for family planning. The final negotiation and bill increased Title X funding over 10% from $215 million to $239 million.

The Office of Adolescent Pregnancy Programs which administers the AFLA program has not issued rules with regard to implementation of the new $2 million. It estimates that about 10 new AFLA projects could be supported with these funds. In an interview with **CU**, Johanna Nestor of the Office of Adolescent Pregnancy Programs commented on the remaining pre-obligated money, saying, "It is unclear at this time as to whether the $20 million is for abstinence education or for projects to be funded under the original Title XX [AFLA] legislation; that is, two thirds of the funds for care programs and one third for prevention."

## FIVE STATES WIN $20 MILLION OUT-OF-WEDLOCK BONUSES

Last September, HHS Secretary Donna Shalala announced the award of $100 million in bonuses to four states and the District of Columbia for achieving the nation's largest decreases in out-of-wedlock births between 1994 and 1997. The awardees were Alabama, California, the District of Columbia, Massachusetts, and Michigan. The bonuses were awarded on the basis of each state's reduction in the proportion of out-of-wedlock births to total births. The top five states in this category are eligible for the bonus. They must then demonstrate a decrease in their abortion rates, as measured by the number of abortions divided by the number of births.

CU contacted the officials in the winning states to learn how the bonus monies will be spent. The awards are treated as TANF dollars and thus can be spent on any activity reasonably designed to achieve the purposes of TANF. Addressing out-of-wedlock births meets these guidelines, as do employability and economic self-sufficiency activities.

California achieved the greatest decline, with a decrease of nearly 5.7 percent. According to Dennis Ragasa, of the Work Support Services and Teen Programs Division of the California Department of Social Services, the $20 million bonus will be used to fund the Community Challenge Grants (CCG) program. The CCG program, one of the four components of the Partnership for Responsible Parenting initiative, promotes community-based prevention programs targeting teen pregnancies and absentee fatherhood. Its goals are to reduce the number of unwed and teen pregnancies, reduce the number of children growing up in homes without fathers as a result of these pregnancies, and to promote responsible parenting and the involvement of the father in economic, social, and emotional support of his children. The local projects, which are selected through a competitive bidding process, employ a variety of different strategies and intervention efforts and are the result of collaboration between community-based organizations, religious organizations, and agencies serving specific ethnic groups.

Alabama Governor Don Siegelman announced that $2.9 million of the $20 million bonus would be committed to the Department of Public Health to establish an Office of Adolescent and Unwed Pregnancy Prevention. He praised the state's accomplishment and encouraged further steps, saying, "Alabama has made significant strides in the prevention of teen pregnancy. It is possible to assist Alabama families move from welfare to work by targeting teen pregnancy." The plan is to direct another $8.1 million over three years to an advisory board composed of representatives from state agencies, organizations, and communities that will award competitive grants to counties for pregnancy prevention initiatives. Alabama is also in the process of establishing a Campaign to Prevent Teen Pregnancy that will work with the Office of Adolescent and Unwed Pregnancy Prevention office to continue to reduce out-of-wedlock births. Jean Blackmon, of the Alabama Department of Human Resources Special Projects Division, attributes Alabama's 2 percent decline in out-of-wedlock births to the state's Paternity and Parenthood Curriculum, a good economy which leads to delaying pregnancy, and stay-in-school provisions.

The remaining three awardees, the District of Columbia, Massachusetts, and Michigan have not yet made public their decisions as to how the money will be spent. However, one Michigan official offered a possible explanation for the decline. According to the Department of Community Health Director James K. Haveman, Jr., a combination of intervention activities led to the decrease in out-of-wedlock births, with the Michigan Abstinence Project (MAP) being a key factor. MAP, developed by the Department of Community Health in 1993, is a diverse group of community representatives across the state who are committed to encouraging healthy behavior in youth. MAP's award-winning media campaign, titled "Sex Can Wait," educated children about the consequences of sexual activity and encouraged dialog between children and their parents. Director Haveman is working with Family Independence Agency Director Douglas Howard to develop a plan for the award money.

- See also the CLASP Update 9/27/99 story on the out of wedlock bonus. [Note the accompanying chart includes errata due to the inadvertent transfer of answers from one column to another. None of the states that won the bonus have Individual Responsibility Agreements that include fertility provisions.]

## DOMESTIC VIOLENCE AND TEEN PARENTS

*Adapted from "Teen Parent Project Releases Data," Taylor Institute News, Fall 1999.*

Data released by the Taylor Institute in Chicago reveal a prevalence of domestic violence among teen mothers on welfare as extremely high, with sabotage of birth control and education, training, and work.

The data was from written survey responses of 478 girls at two Illinois Department of Human Services sites for teen parents on welfare and two community-based health centers in Chicago. The survey was conducted by the Institute's Teen Parent Project staff, who asked girls coming to the sites for services to fill out a survey about their experiences with domestic violence and birth control.

At the sites, 55 percent of the young women surveyed reported having experienced some level of domestic violence from their boyfriends in the last year while 22 percent of all teens surveyed experienced severe physical aggression during this period.

The girls were asked whether their boyfriends had attempted to sabotage their birth control, either verbally or behaviorally, or both. About half of the respondents reported some form of birth control sabotage, mostly verbal. However, there was a strong association between domestic violence and birth control sabotage. Of those young women reporting abuse from their boyfriends, 66 percent experienced some form of birth control sabotage from them as well. As the severity of domestic violence increased, so did the severity of verbal and behavioral sabotage.

The Teen Parent Project also found that domestic violence interferes with participation in education, training, or work. One fifth of the teens in the sample reported some form of work or school-related sabotage from their boyfriends, but one third of those reporting domestic violence also reported similar sabotage. Again, the degree of sabotage increased with increasing severity of domestic violence.

- For more information or to order a draft report, call the Taylor Institute at (773) 342-0630 or send a fax to (773) 342-5918.

## SCHOOL ATTENDANCE TRACKS INCOME

Under the 1996 welfare law, custodial, minor parents must participate in education (or approved training) in order to receive TANF assistance. This requirement is often referred to as "Learnfare." Many states have expanded the federal requirement or a version of it to other target populations i.e. younger children and/or non-parenting teens. The 1996 requirement was implemented when little research was available regarding the implications of the provision.

A new report concludes that the lower a family's income, the higher the rate of absenteeism. This is a central finding in *Do Welfare Recipients' Children Have a School Attendance Problem?*, part of ABT Associates' study of different aspects of Delaware's welfare programs. Specifically, ABT found:

- Welfare families have the highest levels of absenteeism but controlling for income reduces [yet does not eliminate] the gap. For example, among third graders with 10 or more absences over the school year 29% received welfare; 22% were from other low income families; 19% were part of middle income and 13% were part of higher income families.

- Most absences among welfare children arise from illness rather than truancy.

David Fein, the researcher notes, "The leading role of illness in disproportionate absenteeism among welfare and other poor children suggest that increased attention to improvements in public health and health care may have a positive effect on this school outcome."

➢ *Do Welfare Recipients' Children Have a School Attendance Problem?* by David Fein, Wang Lee, and E. Christina Schofield is available online at http://www.abtassoc.com/reports/welfare-download.html or by calling 1-617-520-2991.

## ELIMINATING AID TO MINOR PARENTS: DELAWARE PUBLIC OPPOSES POLICY

In Delaware, no minor mother with an out of wedlock child can receive cash assistance for the child. The policy applies to minor mothers embedded in a welfare household as well as those who are not part of such a family.

A recent study by Abt Associates, *The ABC Evaluation: A Better Chance for Welfare Recipients? What the Public Thinks*, found the public at odds with this policy [64.4%]. Many do not believe it will have an impact on childbearing and support a range of activities such as better "educational, economic, and recreational" activities." Nearly half [48.4%] support providing abortion services for teens who get pregnant.

*The ABC Evaluation: A Better Chance for Welfare Recipients? What the Public Thinks* by David Fein is available online at http://www.abtassoc.com/reports/welfare-download.html or by calling 1-617-520-2991.

## WELFARE: MARRIAGE AND FERTILITY

***Will Welfare Reform Influence Marriage and Fertility? Early Evidence from the ABC Demonstration*** finds Delaware's welfare program had little influence on either marriage or fertility overall. The analysis by ABT Associates appears to be the first in the nation to examine the role of a time-limited welfare program on marriage and fertility (Rutgers University has issued findings regarding the impact of New Jersey's welfare program, including its family cap, on fertility; however, the state's program was not time-limited at the time of the study). Delaware has a 4 year time – limit (after two years, TANF continues only if the individual is working); a liberalized earnings disregard; liberalized two parent rules; and a client contract that can mandate a family planning provider visit and a family cap, among other provisions. While the study found minimal impact on the overall sample after 18 months of ABC program participation, some subgroups experienced a modest impact.

Among the study's findings are:

- A modest increase in marriage co-habitation [4%] among women who were under age 25 and among those with less than 12 years of education [3.7%];
- Among women under age 25 who married, the marriage impact is found only among those who were off welfare at the time of the survey;
- Among women with less than 12 years of education, the marriage impact is found for those on and off the welfare rolls.
- An increase in marriage expectation among women with less than 12 years of education;
- A decrease in marriage expectation among women with higher levels of education;
- A small decrease in *actual* fertility among one subgroup: those with intermediate prior welfare reliance (six percentage points lower than control group; confidence level at 90%)
- A significant reduction in *desire* for more children among women who were 25 or older, those who had married, and those with intermediate durations of past welfare receipt.

Regarding the marriage findings the researcher postulates a number of explanations including the possibility that "…marriage impacts primarily are a response to increased financial need, since the amount and stability of financial support women can expect from husbands is likely to be much greater than they can expect from unmarried partners. However, if marriage is a response to economic pressures from reform, the resulting unions may not be very stable or financially secure. Young, poorly-educated women marrying under financial -and potentially emotional duress- may not be in the best position to chose the kinds of husbands with whom they will live happily forever after." On fertility, the researcher notes "Although ABC reduced desires for more children among older women, it had little effect on the proportions of younger women wanting more children, either in the short or long run."

➢ *Will Welfare Reform Influence Marriage and Fertility? Early Evidence from the ABC Demonstration?* by David Fein is available online at http://www.abtassoc.com/reports/welfare-download.html or by calling 1-617-520-2991.

## TEEN PARENTS TURNED AWAY FROM WELFARE OFFICES

*Adapted from "Turned Away, Misinformed, Denied – Teen Parents' Experiences in Welfare Offices" by Martha Matthews and Shannon Shelley, Youth Law News, July-August 1999.*

Staff of the National Center for Youth Law in California have been working with health care and social service providers, to ensure that low-income teen parents have fair access to safety-net benefits such as cash aid, food stamps, and Medicaid coverage. When we started this project, we expected to find some confusion about welfare eligibility rules, and some examples of teens being erroneously denied benefits. What we actually found was far worse.

Many needy teen parents in California, seeking aid for themselves and their babies, do not even get to file a benefits application! Some teens are literally turned away at the door of the welfare office, because a security guard or information desk worker tells them they cannot enter the office without an adult. Others are discouraged from applying, by being given misinformation or half-truths about eligibility rules. Still others are frightened away by eligibility workers' threats to call Child Protective Services.

NCYL staff, and other advocates and service providers in the Los Angeles area, formed the Welfare Office Troubleshooting Project early 1999, to address recurring concerns about the way low-income teen parents are treated when they apply for benefits. We developed a one-page "troubleshooting form" for service providers and advocates to use to document instances of verbal denial or discouragement of welfare and Medicaid applications. We distributed the troubleshooting forms to legal aid organizations, community groups serving low-income families, staff at high schools serving teen parents, Adolescent Family Life Program staff, and Minor Parent Services caseworkers at the county child welfare agency.

Between February 23 and April 23, 1999, we documented 55 instances of LA County welfare offices refusing to take written applications; discouraging applicants from filing applications by giving incorrect information about eligibility rules; or pressuring applicants to withdraw applications. Thirty-five of the incidents involved teen parents; the other 20 involved adult applicants.

Thirteen of the 55 incidents involved clear violations of the right, guaranteed by California law, to file a written application for benefits. Five of these 13 incidents involved teen parents being repeatedly turned away without being allowed to file an application. Three incidents involved refusals to let adult applicants file a written application and two more incidents involved office staff ripping up an application after it was submitted to them. An additional three incidents involved applicants being pressured to withdraw their applications, or being told to sign a withdrawal form without knowing what they were signing.

These incidents showed an urgent need to correct ongoing, unlawful practices such as refusing to accept applications, and providing misinformation about eligibility rules and thus discouraging eligible persons from applying for benefits, and also to address broader issues of "office culture" that result in teen applicants being denied basic courtesy and respect.

The remaining 42 incidents did not involve a literal denial of the right to apply for benefits, but instead, discouragement of the exercise of that right by intake staff giving applicants erroneous information about eligibility rules.

Twenty of these incidents involved rules specific to teen parents. In 11 instances, teen parents were told that they could not apply for cash aid themselves (an adult had to apply for them), and/or that they could not receive a cash grant because they were under 18.[1] In three incidents, pregnant teens were told they could only get aid after their babies were born.[2] In two incidents,

[1] Under California law, a teen parent can receive aid either as part of a parent's or relative's household, or, under certain circumstances, as head of her own household. Welfare & Instns. Code § 11254.

[2] Teens are legally entitled to start receiving aid as soon as their pregnancy is confirmed. Welfare & Instns. Code § 11450.

18-year-old applicants who were still in high school were told that they must drop out of school and participate in work activities.[3] Other instances of misinformation related to teen parents included: a teen being told that child protective services would come and take her baby away if she applied for CalWORKs, and a teen being denied supportive services (child care and transportation) necessary to enable her to attend high school.[4]

Another 22 incidents involved eligibility rules applicable to both adults and teens. Eight incidents involved misinformation about MediCal eligibility. Four incidents involved clients being told that a person under 21 living with his/her parents cannot get Food Stamps.[5] Four applicants were misinformed about the "Maximum Family Grant" rule (for example, one was told it applied to all babies born after a certain date, and another was told that her new baby would be ineligible for Food Stamps and Medicaid as well as cash benefits).[6]

Seven of the incidents involved lost applications, applications lost or delayed by being transferred to another office, or applications that were mistakenly treated as being withdrawn. Three of these incidents involved teen parent cases that were not processed correctly. (In cases where a teen parent applies for cash aid, and is not living with a parent or relative, the welfare office caseworker is supposed to refer the case to the county child welfare agency's Minor Parent Services unit, for an evaluation of whether the minor parent falls within an exception to the living arrangement rules.[7] The referral process involves faxing a form to the central child abuse hotline, so that a case can be opened and assigned to Minor Parent Services. The troubleshooting project revealed that this cumbersome process frequently breaks down.)

Seven incidents included biased or inappropriate treatment of the applicant, and/or persons trying to help the applicant. For example, one teen applicant was verbally denied CalWORKs benefits because the welfare caseworker observed that she had "hickies" and concluded that she must be living with a man. In other such incidents, welfare office staff refused to allow a teen applicant to enter the office until the teen's social service agency case-manager intervened, and was rude and sarcastic to both the applicant and the case-manager; another welfare office worker refused to allow a teen applicant's case-manager to remain with her during the eligibility interview.

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[3] Under Welfare & Instns. Code § 11332.7, young adults receiving aid can remain in high school until age 20.

[4] Teens are entitled to receive supportive services, such as child care and transportation, necessary to enable them to attend high school. Welfare & Instns. Code § 11331.7.

[5] The correct rule is that these persons can get food stamps, but generally must apply as a 'household' that includes the parent as well, but this was not explained to the applicants. 7 U.S.C. § 2012(i).

[6] California's Maximum Family Grant rule actually applies only to children born after their parents have received cash aid for 10 months, and it only applies to cash benefits, not Medicaid or food stamps. Welfare & Instns. Code § 11450.04.

[7] Welf. & Inst. Code § 11450.04.

In 20 of these incidents, an advocate or service provider had made a complaint to a supervisor or administrator, and the case either had been resolved or was still pending. In an additional 22 cases, the applicant had reapplied, with the advocate or service provider's help. (In some cases, the applicants had to try three or more times before the welfare office accepted their application). In 4 more cases, the initial application was processed, and the applicant received benefits, but only after substantial delay. Nine of the cases were unresolved.

Two of the troubleshooting forms described in detail the consequences of welfare offices' mishandling of applications. In one case, a teen parent's baby was removed from the home because she had been denied assistance, and had no food or money. In another case, a teen parent had to stop attending school because, after her case was transferred to a new welfare office, she was denied the child care and transportation necessary to enable her to attend school.

These 55 incidents, collected during a brief period in early 1999, provide only a "snapshot" of problems experienced by teen parents applying for welfare, food stamps, and Medicaid in Los Angeles County. It is likely that there are many more cases in which applicants did not find their way to an advocate or service provider who could encourage them to apply again, correct misinformation, or make a complaint to a supervisor.

These incidents showed an urgent need to correct ongoing, unlawful practices such as refusing to accept applications, and providing misinformation about eligibility rules and thus discouraging eligible persons from applying for benefits, and also to address broader issues of "office culture" that result in teen applicants being denied basic courtesy and respect.

The Welfare Office Troubleshooting Project developed a set of recommendations to address these problems, which were presented to county officials in a series of meetings in May - July 1999 which seeks policy clarification, a culture of customer services, staff training, improved intake procedures and quality assurance.

In recent months the state agency has taken a number of concrete steps to address the problems teen parents face in getting assistance; we hope that the remaining barriers to participation by eligible individuals will also get fixed.

- For more information about the NCYL project or to discuss a similar troubleshooting effort in your area, please contact Martha Matthews at (213) 891-8593 or martha@youthlaw.org.

# CLASP*Update*

**A CLASP Report on Welfare Developments**

**Jodie Levin-Epstein, Editor**

**March 2000**

## FEDERAL NEWS

### President Proposes More Support for Working Families and Low Income Fathers

*The following is excerpted from a White House press release (January 12, 2000).*

The four major provisions of President's Earned Income Tax Credit expansion of $21 billion over 10 years are:

- **Expand the Maximum Credit for Working Families with Three or More Children By $500.** The President's proposal would add a "third tier" to the EITC to expand benefits for families with three or more children. Very low-income families will get 45 cents for every additional dollar they earn - compared to 40 cents under current law. This higher credit rate will increase the maximum credit for a family with three children in 2001 from $3,992 to $4,491 - a roughly $500 increase. This proposed new "tier" of the EITC is motivated by the fact that 60 percent of all poor children - 7.7 million children - are in families with three or more children. Adding a third tier to the EITC would provide a tax break for 2.1 million low- and moderate-income working families.

**INSIDE…**



Contributors: Rutledge Hutson, Martha Nguyen, Theodora Ooms, Lisa Plimpton, Rachel Schumacher, Julie Strawn and Kelsen Young

- **Expand the Credit for Married, Two-Earner Couples.** The President's proposal would allow married couples to earn an additional $1,450 more before beginning to have their EITC phased out. For example, in 2001 a married, two-earner couple with children would be able to earn up to $14,480 and still receive the maximum EITC, as compared to the $13,030 threshold under current law. The result of this provision would be to provide an additional

$250, on average, for married, two-earner couples. This provision would benefit over 1.3 million married filers.

- **Increase the Reward to Work While Expanding the Credit for Families with Two or More Children.** The third provision of the President's proposal would provide an additional tax break, and an additional incentive to work, for families with two or more children. Under current law the EITC for these families is reduced by 21.06 percent for each dollar they earn above the maximum threshold. The President's proposal would lower this phase-out rate to 19.06 percent - a tax break for 5.4 million of America's hard-pressed working families.

- **Encouraging Savings Through Simplification.** Under current law, 401(k) contributions and other forms of nontaxable earned income are counted as income in computing the EITC. For many families this means that if they increase their contributions to a 401(k) then they will see their EITC reduced. The President proposes to encourage savings for poor people by eliminating nontaxable earned income from the calculation of the EITC. In addition to encouraging savings, this step will simplify the EITC, and continue to increase compliance.

The Clinton-Gore Administration's budget also proposes $255 million for the first year of a new "Fathers Work/Families Win" initiative to promote responsible fatherhood and support working families. These new competitive grants will be awarded to business-led local and state workforce investment boards who work in partnership with community and faith-based organizations and agencies administering child support, TANF, food stamps, and Medicaid, thereby connecting low-income fathers and working families to the life-long learning and employment services created under the Workforce Investment Act and delivered through one-stop career centers.

- **Fathers Work.** To ensure that low-income fathers who are not living with their children provide the financial and emotional support their children deserve, the Administration's budget will include $125 million for new "Fathers Work" grants. These grants will help approximately 40,000 low income non-custodial parents (mainly fathers) work, pay child support, and reconnect with their children. This initiative builds on over $350 million in responsible fatherhood initiatives funded through the Labor Department Welfare-to-Work program. As part of this effort, states will need to put procedures in place allowing them to require more parents who owe child support to pay or go to work, including parents of children not on welfare.

- **Families Win.** To reward work and responsibility and ensure that all families benefit from the booming economy, the Administration's budget will include $130 million in new grants to help hard-pressed working families get the supports and skills they need to succeed on the job and avoid welfare. These funds will leverage existing resources to help families retain jobs and upgrade skills, and get connected to critical work supports, such as child care, child support, health care, food stamps, housing, and transportation. Families Win grants will serve approximately 40,000 low-income families, including mothers and fathers, former welfare recipients, and people with disabilities. Within these funds, $10 million will be set aside for applicants from Native American workforce agencies.

**The Administration's Proposed Food Stamp Rule on Vehicles with High Loan Balances**

*The following is excerpted from a Center on Budget and Policy Priorities policy alert (February 25, 2000).*

On February 23, 2000, President Clinton announced his intention to change food stamp regulations to make food stamps available to low-income families that own vehicles with fair market values above the food stamp resource limit but that have little or no equity in these cars because of outstanding loan balances. USDA estimates that 150,000 people will receive food stamps as a result of the change. This change is not effective immediately but will be published in the Federal Register for comment; the final rules are likely to become effective late this year.

Section 5(g)(5) of the Food Stamp Act (7 U.S.C. section 2014(g)(5)) allows USDA to exclude in eligibility calculations, any resources that, as a practical matter, the household is unlikely to be able to sell for any significant return because the household's interest is relatively slight. This provision was intended to prevent families from being denied food stamps because of resources that could not be sold for a significant amount of money, and therefore could not be used to finance the purchase of significant amounts of food. Unfortunately, for many years, the food stamp regulations have prohibited states from applying this exclusion to cars. The proposed revision to the regulation would extend the policy to cars. If the household's equity in a car is small (less than $1,000 in the case of most families), the car will not be counted as a resource available to the family. Such cars would be excluded from resource calculations in the same way that the current rules exclude vehicles used primarily to produce income (such as taxi cabs), cars that serve as a family's primary home, vehicles that transport a physically disabled household member, vehicles that carry heating fuel or water, and migrant farm workers' cars. The household's equity is determined by subtracting any outstanding loan balances from the car's fair market value (i.e., the wholesale price listed in the used car blue book or a similar publication). Cars that are not excluded under this new policy would be evaluated under current procedures, which count as a resource that part of most vehicles' fair market value that exceeds $4,650.

The new rule will benefit low-income working families that have reliable cars with high loan balances. Compelling these families to sell their cars in order to receive food stamps is counterproductive because without cars it will be more difficult for these families to maintain, or to search for and accept, employment. Selling cars with large outstanding loan balances also makes little money available to buy food since the proceeds go largely to the finance company.

Relatively few vehicles likely will need to be evaluated under this procedure. Categorically eligible families, such as those that receive TANF or SSI benefits, are exempt from the vehicle limits. A vehicle whose fair market value is low enough to not put a family over the food stamp resource limits would not need to be considered for this exemption. Nor would states need to further examine a car that a family reports has already been largely paid off. Only where an otherwise eligible family is at risk of being denied food stamps because of a car that it recently purchased with a loan would the food stamp office need to consider information on the outstanding loans.

The Administration's budget proposals announced earlier this month would go farther and allow states to apply to the Food Stamp Program the same vehicle resource standards they use in their

TANF-funded programs. Because that change requires congressional action to amend the Food Stamp Act, USDA is taking this regulatory action under its existing statutory authority.

### TANF Performance Bonus: New Measures Proposed

The 1996 welfare reform law established a set of goals for the new TANF program and directed HHS to develop criteria for awarding High Performance Bonuses to states based on their performance of these goals. The first High Performance Bonus Awards focused only on work performance, and in December HHS announced that 27 states were awarded $200 million in bonuses for having the best records in moving parents on welfare into jobs and their success in the workforce. Now, the Administration for Children and Families (ACF) has announced a new proposal for a funds allocation formula that would award High Performance bonuses for both **work** and **non-work** measures in FY 2002 and beyond.

ACF has proposed new regulations that would award bonuses to states based on four work measures and three non-work measures. The three non-work measures are family formation and family stability (as measured by the increase in number of children below 200 percent of poverty who reside in married couple families), and two measures that support work and self-sufficiency, i.e., as measured by increased participation by low-income working families in the Food Stamp Program and participation in the Medicaid and Children's Health Insurance Programs.

ACF invited public comments, which were due on February 4, 2000, on both the proposed provisions and on the development and use of additional measures, data sources, and other provisions. The bonus funds of up to $200 million each year are authorized for awards in fiscal years 1999 through 2003. The amount awarded to each State may not exceed five percent of the State's family assistance grant.

The Center for Law and Social Policy and the Center on Budget and Policy Priorities (CBPP) submitted joint comments in response to the proposed rules. We agreed that the state performance should be evaluated on both work-related measures and measures of state effectiveness in providing supports to low-income working families. We also supported the allocation of the bonus funds to address the TANF goal of encouraging marriage and the formation and maintenance of two-parent families.

However, we do believe there are serious methodological and substantive problems with using the proposed performance measure as a basis for rewarding states on this issue and that the quantitative measures are inappropriate and premature in an area of policy that is so untried and untested. As an alternative we proposed that HHS establish a monetary awards program that would reward states for establishing innovative policy or program demonstrations that are research-based and can be reasonably expected to lead to the desired outcomes, namely more children being raised in stable, healthy marriages and two-parent family households.

In addition to the above suggestion, we offered the following six recommendations:

- Maintain a bonus for family formation and maintenance, but award funds based on a panel-based competition that rewards demonstration programs or innovative policies designed to encourage the formation and maintenance of two-parent families.

- Retain and increase the bonus for state effectiveness in providing food stamps to low income working families, awarding bonuses for states that demonstrate the highest level of performance and states that demonstrate the greatest improvement in performance.

- Retain and increase the bonus for state effectiveness in ensuring that adults and children leaving TANF assistance maintain health insurance coverage through Medicaid and/or CHIP, awarding bonuses for states that demonstrate the highest level of performance and states that demonstrate the greatest improvement in performance.

- Add a measure of state effectiveness in providing child care subsidy assistance to low-income working families, awarding bonuses for states that demonstrate the highest level of performance and states that demonstrate the greatest improvement in performance.

- In measuring the work-related performance of state TANF efforts, maintain a focus on job placement, employment retention, and earnings gains, but modify the measures to more effectively measure sustained employment and wage growth.

- Add a measure of work-related performance that is not limited to families participating in or leaving TANF cash assistance, but that measures participation in employment among the entire population of low-income families with children.

➢ The complete comments by CBPP and CLASP can be found at http://www.clasp.org.

## NEW FINDINGS ON JOBS/CHILD CARE

**Jobs: Where You Start Matters for Where You Go.** The most effective way to promote sustained employment and job advancement over the long term may be to help low income parents find the best *initial* job, according to a soon-to-be-released report entitled *Steady Work and Better Jobs*. Research on how women who have left welfare fare in the labor market shows that certain factors are linked to success and that initial job quality is an important predictor of who works steadily and advances to better jobs over the long term.

Steady work over time is linked to such factors as finding initial jobs at higher than average wages or with health benefits, working steadily initially, and working in certain occupations (such as clerical compared to sales). By contrast, many personal characteristics (education levels, housing status, children's age, or number of children) did not seem to affect the ability of these parents to work steadily.

Better jobs (higher paying or with benefits) for women over time are linked to a somewhat different set of factors. These include obtaining a higher paying job initially, working in certain occupations (such as clerical compared to sales), and having higher education levels or credentials, especially post-secondary education or training. Interestingly, working steadily in any job does not lead to better jobs over time. In fact, changing jobs can be an effective job advancement strategy as can finding a high quality job initially and staying in it.

This research stands in sharp contrast to prevailing state policies and practices in welfare reform which emphasize quick placement in any job with post-employment case management to help parents to keep those jobs. Two rigorous, independent evaluations of such post-employment job retention services have not found any impact on job tenure or earnings.

Evaluations have found, however, that welfare-to-work programs can help parents find better initial jobs than they would have otherwise, even within a short timeframe. For example, a study of 11 JOBS programs nationally found that the Portland, Oregon site helped parents find higher-paying and longer-lasting employment. While the other ten programs in the study focused on either job search or adult education, Portland used a range of services (such as job search, life skills, private sector internships, work-focused adult education, and job training) with the first activity varying according to each parent's needs. Portland emphasized rapid employment but allowed time for those with less education to improve their skills and emphasized post-secondary education. As a result, parents who entered the program with less than a high school diploma were four times as likely as their peers to obtain an occupational certificate within the two years of follow-up, a rare feat for an employment program.

- *Steady Work and Better Jobs* is co-authored by Julie Strawn (CLASP) and Karin Martinson (MDRC). The complete study will be available on the Manpower Demonstration Research Corporation website <http://www.mdrc.org> later this spring.

**Child Care: Quality for Families Affected by Welfare Reform.** Recently released research marks the first effort to observe the quality of child care settings for children whose mothers are moving from welfare to work. *Remember the Children: Mothers Balance Work and Child Care Under Welfare Reform,* was released in February by co-authors Bruce Fuller of U.C. Berkeley and Sharon Lynn Kagan of Yale University. The preliminary data presented in the first wave of findings suggest that while more low-income mothers

> A study of families on the child care waiting list in New York City found that about half of those earning $6,000 to $12,000 a year spent one-fifth to half of their earnings on child care. Forty-one percent of all families surveyed said they had to cut back on other essential expenses, such as food and children's clothing, to help pay for care. Seventy-seven percent believed that their current child care arrangements were negatively affecting their children. (Source: P. Coltoff, M. Torres, and N. Lifton, "The Human Cost of Waiting for Child Care: A Study." New York, NY: The Children's Aid Society, December 1999.)

are working, their children are being cared for in child care settings, many of which are not high-quality. Wave 2 findings will be collected 18 months after the initial wave and a third wave is planned after the children enter school.

The study results are based on data collected in three states: California, Connecticut and Florida. The researchers interviewed 948 single mothers with young children and their child care providers and assessments of children's language and social development. The families were living in or near one of five cities: San Francisco or San Jose, California; Manchester or New Haven, Connecticut; and Tampa, Florida. Given the great variation in child care policies and supply/demand for care across the states, it is difficult to create a uniform picture of the conditions of children who are in child care settings while their parents are working. In addition, the study does not compare experiences prior to and after TANF implementation. However, this study does raise concerns about how increased labor participation of low income parents may affect the quality of learning experiences children are having.

The following offers the report's major findings, as excerpted from the Executive Summary:

- **Young children are moving into low-quality child care settings as their mothers move from welfare to work.** Education materials often are scarce, little reading or story telling was observed, and many children typically spend their days with an adult who has only a high school diploma. Most children were placed in home-based care, which includes licensed family care homes or with individual family members who qualify for child care vouchers. These home-based providers, with fewer educational materials, much greater use of television and videos, and unclean facilities, fell below the average quality level of center-based programs.
- **Child care subsidies reach unequal fractions of poor families and encourage the use of unlicensed care.** The share of women drawing their child care subsidies ranged from just 13% in Connecticut to 50% in Florida. Researchers found that the propensity of women to utilize child care centers, as opposed to home-based care, is highly correlated with the supply of centers in their neighborhoods. Disparities in supply range from 42 center slots per 100 young children in Tampa to just 11 enrollment slots per capita in Santa Clara County, California. With limited supply of licensed child care centers and scarce knowledge of subsidies, many mothers have few options.
- **Young children's early learning and development is limited by uneven parenting practices and high rates of maternal depression.** The study found that certain parenting practices, such as reading frequently to one's child, often are absent in homes. In addition, the incidence of severe levels of maternal depression among participating mothers was up to three times higher than the national average. Both factors can substantially retard infants' and toddlers' early learning.
- **A sizable share of women are moving into jobs.** Among all participating women in the three states, about half were working and had selected a child care provider for at least 10 hours of care per week within their initial months of welfare involvement. Many were pursuing postsecondary training while drawing cash assistance. The researchers also found that maternal education is one of the most consistent predictors of both employment and positive parenting practices.

- **Wages and household economies remain impoverished.** The median Florida woman earned just $5.45 per hour, yielding a monthly income of $630. Average hourly wages were higher in California ($6.36) and Connecticut ($7.24) before adjusting for the cost of living. When asked whether they had difficulty buying enough food, 28% of the Florida mothers and 32% of the California mothers said often or sometimes.
- **Levels of economic and social support gained by the women are uneven.** Just 16% of participating women in Connecticut reported that they lived with an adult who provided economic support for their child, compared to 36% among women in Florida. About one quarter of all women appear to be socially isolated, rarely seeing other adults.

➢ The full report is available from Policy Analysis for California Education (PACE) by calling (510) 642-7223. The Executive Summary is available on the Web at http://www-gse.berkeley.edu/research/pace/earlyed.html

## NEW FROM CLASP

*All CLASP publications are available at our website:* http://www.clasp.org *unless otherwise noted. Contact CLASP Publications at (202) 328-5140 for order information for printed copies.*

**Linking Family Planning with Other Social Services: The Perspectives of State Family Planning Administrators** gives a national glimpse at the types of efforts made jointly by state social service agencies and the family planning agency. Important interactions are occurring. For example: in Alaska, the family planning agency developed a curriculum which trains welfare staff to address basic reproductive health issues and make appropriate family planning referral and in Washington, the Medicaid agency contracts with local Title X agencies to have itinerant nurses provide family planning services in 75% of the state's welfare offices. The 50-state review, undertaken in partnership with the State Family Planning Administrators (SFPA) explores such topics as inter-agency information dissemination; referral arrangements; staff training; and co-location of services. It identifies which states are using what vehicles, for linking family planning through other agencies. By Rutledge Q. Hutson and Jodie Levin-Epstein, January 2000. (publication #00-3)

**Making TANF Work for the Corps: When and How TANF Funds Can Support Youth Corps Initiatives.** The Temporary Assistance for Needy Families (TANF) block grant, as well as the "Maintenance of Effort" (MOE) funds that states are required to spend in order to draw down their full TANF allocations, are a potential source of funding for youth corps that wish to expand their services. **Making TANF Work for the Corps** is a technical assistance resource paper prepared for the National Association of Service and Conservation Corps. It explains why youth corps are an allowable use of TANF funds, discusses who is eligible for TANF-funded services and how corps participation fits in with TANF work and other requirements, provide pointers for corps hoping to access TANF funds, and gives examples of corps that are already using these funds. By Marie Cohen, January 2000. (publication #00-6)

**"Some Days are Harder Than Hard": Welfare Reform and Women with Drug Convictions in Pennsylvania.** Women in recovery from drug addiction are banned from receiving cash assistance or food stamps because of their felony drug convictions. Federal law allows states to opt out of the ban, but requires them to pass legislation in order to do so. Because Pennsylvania's legislature has not considered this issue since the federal legislation was enacted, the ban is in effect. In **"Some Days are Harder Than Hard,"** women with drug convictions, criminal justice staff, and drug treatment providers in Pennsylvania were interviewed to put together a picture of the women, their life histories, and the impact on them, their children, their families, and the community, as well as on the criminal justice system, if they are permanently denied benefits. By Amy Hirsch, Community Legal Services, January 2000. (publication #00-5)

**Comments on Proposed Regulations on Child Support Cooperation for Food Stamp Recipients.** On December 17, 1999, the Food and Nutrition Service (FNS) of the Department of Agriculture issued proposed regulations for a number of the food stamp related provisions of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA). Some of these proposed regulations are of particular importance to custodial and noncustodial parents who participate in the Food Stamp Program (FSP). This memo examines those parts of the proposed regulations and discusses their implications for different types of households. By Paula Roberts, January 2000. Available at: http://www.clasp.org/pubs/childenforce/Regulations/ChildSupportCoopProposedregs2.htm.

**TANF Time Limits now available on the SPDP website.** Information on state time limit policies for TANF cash assistance is now available from the State Policy Documentation Project, a joint project of the Center on Budget and Policy Priorities and Center for Law and Social Policy (CLASP). 50-state comparison charts describing lifetime and fixed-period time limit policies, dates when families first reach a time limit in each state, and time limit exemption and extension criteria can be downloaded at http://www.spdp.org/tanf/timelimit.htm. Still to come over the next several months are data on states' work activities and requirements, sanction provisions, child care, and child support policies.

**CLASP Audio Conferences 2000.** Find out more information on this exciting series of national audio conferences on various welfare topics including TANF reauthorization and featuring experts from the state and national level. Details will be posted soon at http://www.clasp.org.

## STATE POLICY DOCUMENTATION PROJECT

### Findings on TANF Personal Responsibility Contracts and Employability Plans

The State Policy Documentation Project (SPDP), a joint project of CLASP and the Center on Budget and Policy Priorities, tracks TANF policy decisions in the 50 states and DC. The project collects information on state policy, not practice. This article reflects policies in effect as of the end of 1998.

Some states require individuals to sign an “employability plan” or “personal responsibility contract” as a condition of receiving TANF cash assistance. Employability plans are limited to work-related activities and requirements and employment goals. Personal responsibility contracts include broader agreements and requirements than employability plans, such as requiring child immunizations, and may also include work-related requirements. Personal responsibility contracts have different names in some states, such as “individual responsibility plans.” All 50 states and the District of Columbia require individuals to sign either a personal responsibility contract or an employability plan; some 17 states require both.

**Personal Responsibility Contracts.** 35 states require cash assistance recipients to sign a personal responsibility contract:

- 2 states require applicants to sign before filing an application
- 22 states require applicants to sign when they apply or while the application is pending
- 10 states require signing after eligibility is determined
- 1 state requires signing at different times, depending on when a client attends an orientation session.

Personal responsibility contracts may include client obligations such as participation in work activities, child and/or minor parent school attendance, cooperation with child support enforcement efforts, child immunization or preventive health measures, participation in life skills or parenting training, substance abuse provisions, and agreements to achieve self-sufficiency within a set time period. In 27 of the 35 states, personal responsibility contracts include a state or county agreement to provide services to the individual.

There are no exemptions from the requirement to sign a personal responsibility contract in 19 of the 35 states. In the other 16 states, a client may be exempt from signing a contract if he or she is exempt from work requirements, caring for a young child, or disabled.

The sanction for not signing a personal responsibility contract varies by state:

- 16 states–sanction is the same as for failing to comply with work requirements
- 14 states–ineligibility for cash assistance for the individual who fails to sign
- 4 states–partial cash benefit sanction
- 1 state–no sanction for failing to sign a personal responsibility contract.

**Employability Plans.** 33 states require individuals to sign an employability plan:

- No state requires applicants to sign and employability plan before filing an application
- 5 states require applicants to sign while the application is pending
- 18 states require signing after eligibility is determined
- 10 states require different clients to sign employability plans at different times
- 1 state did not provide this information.

In 23 of the 33 states, employability plans include a state or county agreement to provide services to the individual. There are no exemptions from the requirement to sign an employability plan in three of the 33 states. In the other 30 states, an individual may be exempt from signing an employability plan if he or she is exempt from work requirements, caring for a young child, disabled, or working in unsubsidized employment.

The sanction for not signing an employability plan varies by state:

- 20 states–sanction is the same as for failing to comply with work requirements
- 6 states–ineligibility for cash assistance for the individual who fails to sign
- 6 states–no sanction for failing to sign an employability plan
- 1 state–at county discretion.

For more detailed descriptions of each state's policies on personal responsibility contracts and employability plans, as well as the complete project findings to date, visit the SPDP website at http://www.spdp.org. See also *The IRA: Individual Responsibility Agreements and TANF Family Life Obligations* at http://www.clasp.org/pubs/TANF/ira.htm.

➢ An article in the next issue of CLASP Update will summarize SPDP's findings on states' categorical eligibility rules for TANF cash assistance.

# REPRODUCTIVE HEALTH AND WELFARE

### Georgia Links Teens with "Resource Mothers" and "Resource Fathers"

Georgia invests $18 million ($11 million of TANF funds) in its Adolescent Health and Youth Development (AHYD) initiative. The initiative supports existing local pregnancy prevention and youth development programs and also facilitates the development of new ones. AHYD supports:

1. comprehensive teen centers;
2. local teen pregnancy prevention male involvement; and
3. "community involvement grants" that foster partnerships to eliminate local service gaps

Although the state creates a framework for the various components of the AHYD initiative, local officials and grantees have considerable flexibility in the design and implementation of their programs.

"Resource Mothers" are an essential component of the services offered in teen centers. Resource Mothers, who are typically former welfare recipients, are employed by the centers to offer case management, mentoring and education services. In Macon, the Resource Mothers provide home visiting and case management services to young mothers for two years. They offer moral support and serve a liaison function, linking the young women with social services in the community. In Rome, the Resource Mother and a health educator team up to offer weekly abstinence-based education classes. These classes are highly interactive, utilizing both discussion and role playing to engage the participants. The Resource Mother also provides case management services – offering clients encouragement, following up with those who miss clinic appointments, and connecting teens with other community services (e.g. housing, GED classes, etc.).

The male involvement program in Macon has a similar component – "Resource Fathers." Resource Fathers, who generally grew up in the neighborhoods they serve, work with young men to assess their needs. The Resource Fathers then link the young men with other agencies and providers who can address those needs, whether the needs are for employment, training, education, family planning, housing, medical attention, parenting classes, or something else entirely. Resource Fathers have forged valuable relationships with local school officials, employment training and placement contractors, juvenile court judges, probation officers, Head Start providers and recreation department staff. In fact these links are so strong that the juvenile court is now probating first time offenders directly to the program. Resource Fathers accompany their clients to job interviews, court appearances, and meetings with probation officers. They provide moral support (and frequently transportation) to help teens succeed in these challenges. They also offer reassurance and confidence to the employers, judges and probation officers, who are often more willing to “take a chance” on an adolescent who has the ongoing support of a Resource Father.

Georgia’s AHYD initiative knits together a web of services and supports for teens throughout the state. Resources Mothers and Resource Fathers are critical links in this network.

- For more information on Macon, contact Susan Joanis: (912) 751-3030; for more information on Rome, contact Marilyn Ringstaff, (706) 802-5372; or see *Making the Link: Pregnancy Prevention and the New Welfare Era*, available at: http://www.clasp.org.

**Teen Sex: Partners, Drugs Influence Contraception Use**

*The following is excerpted from a Kaiser Daily Reproductive Health Report (March 8, 2000).*

Fifty percent of teens say pressure from their partners is one of the "main reasons" they do not use contraception, and more than half cite alcohol and drugs as the main reason for practicing unsafe sex, according to a new survey released today by the National Campaign to Prevent Teen Pregnancy. The national survey of 515 teens ages 12-17 also found that nine of 10 teens believe "it is important to use contraception each and every time they have sex." About 87.3% of teenage boys and 88.9% of teenage girls said that using birth control every time they have sex is either "very important" or "somewhat important," while 8.8% of respondents said consistent birth control use is "not important." Still, the National Campaign to Prevent Teen Pregnancy reports that 30%-38% of teens who use contraception use it inconsistently, and 30% of teen girls were "completely unprotected the last time they had sex."The survey also found that 51.7% of teens said that one of the "main reasons" that teens forgo birth control is because their partners are opposed to it, with 49.3% of teen boys and 54.2% of teen girls agreeing with that statement. Fifty-three percent of adolescents ages 12-14 also cited parents' opposition to birth control as one of the main reasons that teens do not use protection. The survey also found that 53.8% of boys and 52.8% of girls "strongly agree" or "somewhat agree" that alcohol and drugs are the "main reason" for unprotected intercourse. Teens from households with incomes above $40,000 were more likely than those from homes with incomes of less than $40,000 to cite drugs and alcohol as the main reason for forgoing birth control, with 57.6% and 48.4% agreeing, respectively.

The survey was conducted by International Communications Research on Feb. 3-6 and has a 4.3 percentage point margin of error (National Campaign to Prevent Teen Pregnancy survey, 3/8). Calling these figures "a red flag," National Campaign to Prevent Teen Pregnancy Director Sarah Brown said, "Rather than just celebrating the recent declines in teen pregnancy and birth rates, we should redouble our efforts to let adolescents know that delaying sex is the best option. But, for those who are having sex, we must convince them to use contraception carefully each and every time." She concluded, "Quite simply, the teen years must be for growing up, education, and having fun, not pregnancy and parenthood" (National Campaign to Prevent Teen Pregnancy release, 3/8).

### Religious Leaders Endorse Landmark Declaration on Religion and Sexuality

*The following is excerpted from a Sexuality Information and Education Council of the United States (SIECUS) press release (January 18, 2000).*

As of mid-January, over 850 of America's religious leaders have endorsed the Religious Declaration on Sexual Morality, Justice, and Healing, a new progressive statement that affirms that sexuality is one of God's most fulfilling gifts and outlines a new paradigm for sexual morality that does not discriminate on the basis of age, marital status, or sexual orientation. Endorsers of the declaration represent a broad range of faith traditions and include two denomination presidents, 15 seminary presidents and academic deans, theologians from more than 32 seminaries, and 14 bishops.

The Religious Declaration on Sexual Morality, Justice, and Healing calls for full inclusion of women and sexual minorities in congregational life, including their ordination, and the blessing of same sex unions. It also calls for sexuality counseling and education throughout the lifespan from trained religious leaders, and a faith-based commitment to sexual and reproductive rights, including access to voluntary contraception, abortion, and HIV/STD prevention and treatment. The religious declaration was developed by more than 20 theologians from diverse traditions, who came together in May 1999 to create a progressive vision on sexuality and religion.

- The Religious Declaration on Sexual Morality, Justice, and Healing and a list of its endorsements are available at the Web site address: http://www.religionproject.org. Religious leaders who would like to add their names to the endorsement list also may do so at the Web site.

### Illinois Teen Parents' Experiences with Welfare

During the summer and fall of 1998, the Illinois Caucus for Adolescent Health examined experiences with the new Illinois welfare system from the perspectives of teen parents, case managers from Teen Parent Services agencies, case workers in the Division of Child Support Enforcement, and staff members from job training programs. Findings from the focus groups, interviews, and examination of call records are presented in a new publication, *Teen Parents and Welfare Reform in Illinois: A Public Policy Report*. Some of the experiences reported in *Teen Parents* are similar to those reported by Martha Matthews in the February 2000 issue of CLASP Update, wherein teen parents were being diverted from welfare services in California. The following excerpts highlight problems with sanctions, goal conflicts, and confusion of rules that Illinois teens experienced.

"The Illinois Caucus for Adolescent Health examined a set of fifty calls to the Public Benefits Hotline from teen parents under the age of 19 who reported problems with their welfare assistance. Teen parents were sanctioned most frequently for missing appointments (12%). The records of calls showed that teen parents and IDHS [Illinois Department of Human Services] workers has difficulty communicating with each other because of missed phone calls, letters lost in the mail or never mailed, or misplaced documents – all of which could lead to sanctions. Calls to the Hotline by adults on TANF reported similar problems with sanctioning…

Teen Parent Services (TPS) case managers also felt that the TPS goal of education-first conflicted with the IDHS philosophy of employment-first for people on TANF. Managers felt that they had to educate caseworkers repeatedly on the work requirements as they applied to teen parents (i.e. that full-time attendance at high school or its equivalent satisfies the work requirement for parents). One group of fourteen managers estimated that over 25% of their work time was spent fixing the errors of IDHS workers. TPS managers lacked a long-term solution to changing the system of requirements for teen parents. They could only advocate for teen parents on a case-by-case basis, not as a group…

Teen parents felt that the TPS goal of education-first was compromised by IDHS workers who inappropriately pushed teen parents to get a job in spite of their desire to finish school…

Examining records of calls to the Public Benefits Hotline, over a quarter of teen parents expressed a lack of good communication with IDHS workers. They said that they "did not receive sanction notices," that they "can't get in touch with IDHS case workers," that they were sanctioned "for unknown reasons," and that they "did not receive notice from IDHS after application." Teen parents were also discouraged from applying for welfare assistance at local offices. Over 25% of teen parent callers to the Hotline remembered comments from IDHS workers, such as "you're not old enough to receive benefits on your own," "you wouldn't qualify," and "you're not eligible until the baby is born or until later in the pregnancy.""

➢ For more information or to order a copy of the report, contact Lacinda Hummel at the Illinois Caucus for Adolescent Health, (312) 427-4460.

## Teen Birthrate Statistics Released

Child Trends' annual newsletter on teen pregnancy, **Facts at a Glance 1999**, was released in January 2000. **Facts at a Glance 1999** pulls together the most current data on teen births, pregnancies, abortions and contraceptive use. It contains national and state data as well as statistics for more than 100 large U.S. cities.

Some highlights:

- Teen birthrates fell again for the seventh straight year (1991-1998) and decreased in all 50 states in 1997.
- The teen birthrate in 1998 was 51 per 1,000 females ages 15-19, an 18% decline since 1991. This rate is close to the record low of 50, reached in 1986.

- Several states still had a teen birthrate of more than 60 births per 1,000 females ages 15-19 in 1997. However, even the ten states with the highest teen birth rates experienced decreases since 1991 ranging from 9% in Texas to about 14% in Mississippi, New Mexico and Tennessee.
- Hispanic teens continue to have the highest rate of teen births.
- The birthrate for teens who have already had a baby declined 21% between 1991 and 1998, compared with a 10% decline among childless teens.
- There was a dramatic increase in the percentage of females aged 15-19 who reported using contraception the first time they had sex, from 48% in 1982 to 76% in 1995.
- However, there is some evidence of a decline in contraceptive use at most recent sex among sexually active females, from 77% in 1988 to 69% in 1995. Black teens are the only racial/ethnic group whose rates of contraceptive use at most recent sex did not decline.

➢ Facts at a Glance 1999 is available online at http://www.childtrends.org/factlink.cfm.

## CLASP STAFFING

**CLASP Departure.** Policy analyst Lisa Plimpton is leaving CLASP after providing almost three years of invaluable research contributions. During her time here, she worked extensively on the State Policy Documentation Project http://www.spdp.org tracking state TANF, food stamp, and Medicaid policy decisions. As the project webmaster, Lisa was responsible for designing and maintaining the reports posted on the SPDP site. She also contributed to CLASP's work in the areas of workforce development and microenterprise. Lisa has taken a new job as Director of Research at the Senator George Mitchell Scholarship Research Institute in Portland, Maine, where she will be working on higher education issues on the state level.

**Job Announcement.** CLASP is seeking to fill two *Policy Analyst* positions to work on federal and state policy issues in the areas of workforce development, welfare, and child care policy. Each of the Policy Analysts will work with CLASP staff to develop materials that assess and describe federal and state policies, to review relevant research and data and prepare written reports outlining in non-technical terms the meaning of the research and data, and to identify and disseminate information about promising practices.

➢ A more detailed description of the job openings can be found on our website, at http://www.clasp.org/Internsfellows.html#jobs.

## RESOURCES

**CED Report: Business Leaders Push for More Employment-Based Welfare Reform.** In a report released in early February, the Committee for Economic Development (CED) strongly urges business and political leaders to "complete welfare reform" and improve our society's transition from welfare to work. The report, entitled *Welfare Reform and Beyond: Making Work* Work, argues that real reform will be achieved when the welfare system becomes a "sustainable vehicle" for finding and maintaining employment and reducing poverty. CED's report recommends ways the public and private sector can offer struggling families the incentives and supports necessary to work their way out of poverty. The report presents a detailed analysis of data from the first four years of welfare reform and includes specific policy recommendations for federal, state, and local governments as well as employers.

- *Welfare Reform and Beyond: Making Work* Work is available from CED, 477 Madison Avenue, New York, NY 10022, phone (212) 688-2063 (dial extension 274 to order), fax (212) 758-9063. The cost is $18.00 per copy. Please add 15% for postage and handling. Orders under $50.00 must be prepaid by check or money order (in U.S. dollars).

**National Workforce Conference.** The Enterprise Foundation is hosting a national workforce conference in Baltimore, Maryland at the Omni Inner Harbor on May 1 - 2. The Conference is titled "Ready, Work, Grow: Helping people overcome barriers and build careers."

The conference is designed mainly for job training and placement organizations at the grassroots level--and the goal of the conference is give every attendee a wealth of very practical, hands-on tools that they can use to improve their recruitment/outreach, job placement, retention and career advancement services; boost staff morale; bolster fundraising; get ahead of the WIA curve and other features. These topics will be addressed in 15 interactive workshops (each given twice).

Plenary sessions feature Olivia Golden (Deputy Secretary for Dept. of Health and Human Services), Kweise Mfume (President of NAACP--invited), LaDonna Pavetti (Mathematica), Charles Ballard (Founder, Institute for Responsible Fatherhood) and Eli Segal (President, Welfare to Work Partnership).

- Conference information can be downloaded at http://www.enterprisefoundation.org. For more information, please contact the conference hotline at (410) 772-2760.

**Monitoring Social Impact of Y2K on Poor.** The Center for Y2K and Society is implementing a Y2K Impact Monitoring Project to identify developing trends or special needs over the next few months. The Center is a non-profit organization that focuses specifically on the social impact of Y2K on the poor and vulnerable, as well as on healthcare and the environment. The Center's website (www.y2kcenter.org) describes the project and other efforts to assist non-profits and foundations.

If you are aware of any significant Y2K problems, please let them know by using the CALL-IN number (202-223-1166), the problem report form on the website, or by e-mailing the Center at y2kproblems@y2kcenter.org.

- For more information, contact Lois R. Saboe, MSW, lsaboe@csis.org, Center for Y2K and Society, 1800 K St., Suite 710, Washington, DC, 202-457-8732, fax: 202-775-3199.

# CLASP*Update*

## A CLASP Report on Welfare Developments

**Jodie Levin-Epstein, Editor**

**April 2000**

### Health Care: Expanding Coverage for Kids through Child Support

There are roughly five million children living in single parent families who do not have health care coverage. Most are eligible for either private health insurance (through coverage available to one of their parents) or publicly funded coverage such as Medicaid or State CHIP. Since most of these children are part of their state's child support enforcement (IVD) program, it would be logical for the child support agency to help them obtain such coverage.

Indeed, every child support order obtained by the IVD system is supposed to describe how the child's health care needs will be met. However, few orders actually address the health care issue. Even when an order covers this issue and requires one of the parents to provide private health care coverage for a child, the provision is very hard for the IVD agency to enforce.

Congress recognized this and, in 1998, required the Departments of Labor (DoL) and Health and Human Services (HHS) to develop a standard National Medical Support Notice to streamline the process for enrolling children in private health care coverage when a parent has been ordered to do so by a court or administrative agency. The proposed form was published for public comment in December 1999 and should be published in final form by September 1, 2000.

**INSIDE…**



Contributors: Marie Cohen, Martha Nguyen, Lisa Plimpton, Paula Roberts

Congress also created a 30-member Medical Child Support Working Group composed of representatives of employers, insurers, health care plan administrators, payroll professionals, unions, parents and children's advocates, the DoL and HHS, as well as and state and federal officials from Medicaid and child support agencies. The Working Group was asked to 1) identify barriers in the current system that make it hard for children to obtain health care coverage; and 2) make recommendations to eliminate these barriers. After nearly a year of deliberations, the Working Group is about to release its report.

The report contains 75 recommendations for change in federal law and regulations as well as highlighting best practices for states interested in expanding the number of children with access to health care coverage. The basic thrust of the report is that children should be enrolled in private coverage when it is adequate, accessible and affordable. The process should be streamlined so that the employers, insurers, payroll organizations, and health plan administrators involved in the process know what the rules are and can easily follow them. When appropriate private coverage does not exist, children should be quickly moved into public coverage. There should be increased coordination between the child support program, Medicaid and State CHIP so that, to the maximum extent possible, children can move from private to public coverage, and within public coverage, with the least possible disruption. Among the specific recommendations are:

- a set of standards for deciding when private health care coverage available to a child through one of his/her parents should be ordered. These standards assess whether the available services are adequate (cover at least a minimal package of services), accessible (are within geographic reach of the child), and affordable.
- the repeal of the current federal IVD regulation which deems all private health care coverage to be “affordable” regardless of actual cost. The Working Group recommends that this standard be replaced with a requirement that cost not exceed 5 percent of the responsible parent’s income.
- outreach by the child support program so that, if private coverage is not available, parents have information about Medicaid, State CHIP or any other program which provides free or low cost health care coverage for which the children might be available.
- enactment of federal law allowing child support agencies to determine presumptive eligibility for Medicaid so that eligible children can be quickly enrolled in such coverage.
- enhanced federal funding for a five year period to encourage state child support programs to put more staff and resources into obtaining health care coverage for children. Thereafter, states would receive incentive payments for expanding the number of children who obtain coverage, whether it is private or publicly funded.

The Working Group also recommends repeal of the authority for child support programs to pursue low-income non-custodial parents for reimbursement of birthing costs paid by Medicaid. Many advocates have identified this as a major barrier to low-income fathers who want to come forward but cannot afford to pay back these costs.

➢ The report will be delivered to Congress in mid-May. It is expected that Congress will act on many of the recommendations this year. CLASP will host an audio conference on the report on June 9th. To register for the CLASP Audio Conferences, point your browser to http://www.clasp.org/2000audioconferencebrochure.html. For questions about the report, contact CLASP’s Paula Roberts (proberts@clasp.org) who was a member of the Working Group.

## Food Stamps: USDA Issues Proposed Regulations

USDA has issued proposed food stamp regulations that would make sweeping changes to the food stamp program regulations. The regulations are published at 65 Federal Register 10856 - 10912 (Tuesday, February 29, 2000), and can be found on the web at http://www.fns.usda.gov/fsp/Regulations/Noncitizen.pdf. Comments must be filed no later than May 1, 2000.

These proposed regulations are the most important set of proposed food stamp regulations in almost 22 years. They open up many of the most important and controversial areas of food stamp policy, including rules on applying and establishing eligibility for food stamps, procedures for determining the continued eligibility of families leaving cash assistance, the eligibility of legal immigrants and their families, exclusions from income and resource calculations, the simplified food program, and several others. The most disturbing aspect of the proposed rules is their wholesale changes in the procedures that low-income households must navigate to obtain food stamp benefits. USDA is proposing to eliminate literally dozens of protections of low-income households' rights, many of which originated in the Nixon and Ford Administrations. These protections, codified and enlarged in the 1978 regulations implementing the Food Stamp Act of 1977, survived the Reagan and Bush Administrations largely unscathed. If these rules become final, they will represent a major setback to households' access to the Food Stamp Program. It is very important that as many separate groups submit comments as possible.

*The above is excerpted from a Center on Budget and Policy Priorities policy alert (April 3, 2000).*

- If you have questions related to the proposed regulations, please contact Dottie Rosenbaum, rosenbaum@cbpp.org, David Super, super@cbpp.org, or Stacy Dean, dean@cbpp.org. For questions related to the immigrant provisions, please contact Shawn Fremstad at fremstad@cbpp.org. All can be reached by phone at (202) 408-1080.

## Categorical Eligibility: Rules for TANF Cash Assistance

The State Policy Documentation Project (SPDP), a joint project of CLASP and the Center on Budget and Policy Priorities, tracks TANF policy decisions in the 50 states and DC. The project collects information on state policy, not practice. This article reflects policies in effect as of the end of 1998.

Categorical eligibility rules are the non-financial and non-behavioral criteria that determine whether a family may qualify to receive assistance under a state's TANF cash assistance program.

The term assistance unit is used to describe the group of individuals who will be treated as a single unit for the purposes of determining eligibility for and the amount of cash assistance available to the unit. Under AFDC there was a set of federal requirements governing who was required and allowed to be included in the assistance unit. Under TANF, the federal law no longer refers to "assistance units," although a number of states continue to do so. Instead, federal rules now refer to an "eligible family."

**Dependent Child.** A state may not use federal TANF funds to provide assistance to a family unless it includes a minor child or a pregnant individual. In order to be countable toward the state's maintenance of effort (MOE) requirements, state (or local) funds must be spent on families that include a child or a pregnant woman, and families must meet the financial eligibility criteria established in the state's TANF Plan.

Under TANF, a minor child is defined as an individual under age 18, or an 18-year-old individual who is a full-time student in secondary school or in an equivalent level of vocational or technical training. States are free to adopt more restrictive definitions for purposes of a TANF-funded cash assistance program. For MOE purposes, states may define a child in a manner different from the TANF minor child definition. They may, therefore, use either a more limited or more expansive definition than provided for in TANF.

Of the 50 states and DC, all but two include any child under age 18 in the definition of a minor child. Forty-five states include a full-time student age 18 who is expected to graduate by age 19; and 15 of the 45 include any 18-year-old full-time student in the definition of a minor child.

**Assistance Unit Rules Regarding Children: Siblings.** Under AFDC, all dependent children (other than those receiving SSI, Foster Care or adoption assistance) who lived together and were full or half-siblings were required to be included in the assistance unit sometimes referred to as "sibling deeming."

Under TANF, states are free to define policy as they wish in this area. Of the 50 states and DC, 46 allow children who are SSI recipients to be excluded from the assistance unit, 35 allow those receiving Foster Care to be excluded, 23 allow children receiving adoption assistance to be excluded, and two states do not allow any full- or half-sibling dependent children to be excluded from the assistance unit.

**Assistance Unit Rules Regarding Children: Non-Siblings.** Under AFDC, when one adult cared for children who were not full- or half-siblings, states could require that all of those children be included in the same assistance unit, (e.g., when an individual cared for his/her own child and a niece or nephew) rather than allowing the children who were not full- or half-siblings to receive assistance as separate units.

Similarly, under TANF states are free to define policy as they wish in this area. Twenty-six states require that non-sibling children with a caretaker in common be included together in the same assistance unit. Nineteen states allow non-siblings with a caretaker in common to receive benefits as a separate assistance unit, five states have policies that vary based on other family circumstances, and in one state, non-parents are not allowed to act as a caretaker grantee so this issue does not arise.

**Benefits for a Child Who Is Temporarily Absent from the Family Home.** States may use federal TANF funds to continue assistance for a child while the child is temporarily absent from the parent's (or caretaker relative's) home for a period of up to 180 days. A state may establish a longer period and provide assistance with state MOE funds after 180 days. Five states do not limit the duration of a child's temporary absence from the home. Of the remaining 46 states, eight allow a temporary absence of up to 180 days (or six months), and the rest set shorter limits on a child's temporary absence. Of the 46 states that limit the duration of a temporary absence, 34 have exceptions allowing for a longer absence under limited circumstances.

**Non-Parent Caretakers.** Under AFDC, in order for a family to qualify, a child had to live with a parent or other caretaker relative, and the relatives who might qualify had to be within a specified degree of kinship to the child.

Federal TANF and state MOE funds can only be used to provide assistance to a family that includes a pregnant woman or a child who is being cared for by a parent or relative, however, the law does not specify any required degree of kinship. In 40 states, an individual must be related to a child in order to qualify as a non-parent caretaker. In 11 states, a legal guardian, whether or not related to a child, can qualify as a non-parent caretaker. In one state, any adult can potentially qualify as a non-parent caretaker. In states that provide assistance in situations when the caretaker is not a relative, effective on October 1, 1999, it appears that federal TANF funds may not be used, and that state funds used for such purposes would not be countable toward the MOE requirement.

States may require non-parent caretakers to be included in the assistance unit with the child, prohibit the non-parent caretaker from being included in the assistance unit, or give the non-parent caretaker the option of being included. Three states require non-parent caretakers to be included in the assistance unit, one state prohibits non-parent caretakers from being included, one state only extends eligibility to families in which the caretaker is a parent, and the other 46 states give non-parent caretakers the option of being included in the assistance unit.

**Pregnant Women.** Under AFDC, states had the option of covering a pregnant woman who was not already caring for a child, if she was otherwise eligible, beginning in the sixth month of her pregnancy.

States have the option of considering a pregnant woman eligible to receive assistance and can specify any point in time during the pregnancy at which eligibility will commence. In 32 states, pregnant women not caring for a child can be eligible for TANF cash assistance. In eight states, eligibility begins as early as the first month of pregnancy; in two states it begins between the second and fifth months; and in 22 states, eligibility begins between the sixth and ninth months of pregnancy.

**Two-Parent Families.** Under AFDC, two-parent families were only eligible if one parent was "incapacitated" or if the parent designated as the "principal earner" was considered to be "unemployed," which mean that he or she met certain work history requirements and was not employed for 100 or more hours per month while applying for or receiving benefits.

Under TANF, there are no specific provisions which mandate or limit the inclusion of two-parent families in a state's TANF program. All 50 states and DC extend TANF eligibility to some two-parent families. In 33 states, two-parent family eligibility for TANF cash assistance is based solely on financial circumstances, and is not limited to families in which a parent is incapacitated or "unemployed." In 17 states, one parent must meet the state's definition of either "incapacitated" or "unemployed" in order for a two-parent family to be eligible. In one state, one parent in a two-parent family must be incapacitated in order for the family to be eligible. Of the 17 states applying an unemployment test to two-parent families, one parent must meet a work history test in 14 states, and the 100-hour rule applies to applicant families in 10 states and recipient families in eight states.

**Rules Applicable to the Parents of Minor Parents.** Under AFDC, the grandparent of a child of a minor parent was required to be in the same assistance unit with the minor parent and her child if the grandparent was an AFDC applicant or recipient.

Under TANF, states are free to establish any policies they wish with regard to households that include the parent of a minor parent and the minor parent's child. Some 42 states still require grandparents seeking or receiving assistance to be included in the same assistance unit with a minor parent and child; nine states do not.

**Treatment of Other Adults in the Household.** Under AFDC, the only basis on which an adult who was not a parent (or a stepparent in a state with a law of general applicability specifying that stepparents are legally responsible for their stepchildren) or non-parent caretaker relative could be included in a family's assistance unit was if an individual was determined to be essential to the family's well-being. States were not allowed to determine that a household member was an essential person unless the family agreed.

Under TANF, assistance can be provided to a family that includes a child, but the term "family" is not defined. States have broad flexibility in determining which, if any, other adults who reside with the parent or caretaker relative may or must be included in the assistance unit. Twenty-one states require some adults who are not parents or caretakers, such as stepparents who are not legally responsible for a stepchild, to be included in the assistance unit. Twenty states allow some adults who are not parents or caretakers, such as essential persons and caretakers' spouses, to be included in the assistance unit at family option.

- For 50-state comparison tables on TANF eligibility rules and more detailed descriptions of each state's policies, visit the SPDP website at http://www.spdp.org. In the next issue of CLASP Update, findings on state financial eligibility rules for TANF cash assistance will be described.

## Fatherhood: HHS Awards Waivers to Help Promote Responsible Fatherhood

HHS Secretary Donna E. Shalala and Vice President Al Gore announced the approval of waiver demonstrations for 10 states to improve the opportunities of young, unmarried fathers to support their children both financially and emotionally.

The projects will test approaches to serving young, never-married, non-custodial parents who do not have a child support court order in place and may face obstacles to employment. Activities will include promoting voluntary establishment of paternity; educational services and career planning; fatherhood and parenting workshops; promoting the formation
or continuation of a supportive relationship between parents; financial planning and skill education; "team" parenting for both mother and father; substance abuse and anger management services; awareness of domestic violence issues; transportation assistance, and regular child support enforcement services.

Some of the projects will provide direct services for custodial parents, and all will provide for referral of custodial parents to child support services and other services as needed. The demonstrations will also test a new cooperative working relationship between child support enforcement and non-governmental agencies. The demonstrations will total $15 million in combined federal and private funding over a three-year period. The demonstrations will be in Baltimore, MD; Boston, MA; Chester County, PA; Chicago, IL; Denver, CO; Indianapolis, IN; Los Angeles, CA; Milwaukee/Racine, WI; Minneapolis, MN; and New York City, NY.

The waivers announced enable states to use federal funds for a broader set of activities than those usually funded under the child support enforcement program. The project sites will leverage a variety of existing resources in addition to the child support enforcement funds. There will be an independent evaluation of the demonstration sites.

Generous support for the projects is also provided by The Ford and Charles Stewart Mott Foundations; the Lilly Endowment; and the Community Foundations in Philadelphia and Indianapolis. Technical assistance for the sites is being provided by The National Center for Strategic Nonprofit Planning and Community Leadership.

*The above is excerpted from a Department of Health and Human Services press release (March 29, 2000).*

### Supplantation: Chair of House Welfare Subcommittee Warning

In a March 15 letter sent to all the governors, Nancy Johnson, the Chair of the House subcommittee that oversees welfare, urges the governors to keep spending TANF money—but not to replace existing state spending. A year earlier, Representative Johnson had written to the governors reporting that they were not spending all of their TANF money and urging them to do so or risk seeing Congress take away some of the money. In the new letter, Representative Johnson congratulates the governors for following her advice. In fact, while the most recent data from the states indicates that about $7.3 million in TANF funds remained unspent at the end of federal fiscal year 1999, CBO estimates that states will be spending 96 percent of their TANF dollars by 2002.

Representative Johnson also gives the governors some specific suggestions on how to spend TANF funds, urging that they consider programs that help mother retain their employment and move up the employment ladder after they leave welfare, prepare mothers with severe employment barriers for the workforce, reduce births outside of marriage, promote marriage, and help fathers improve their employability and become better husbands and fathers.

Finally, Representative Johnson urges the governors to avoid using the TANF funds to "supplant" state spending. Supplantation, which is legal under TANF, involves replacing state dollars with TANF dollars on activities that are allowable uses of TANF funding. If the state funds saved by doing this are in turn used for purposes other than the TANF purposes (e.g. for tax cuts or road construction), "Congress will react by assuming that we have provided states with too much money," Congresswoman Johnson warns.

Some states have in fact been using TANF funds to supplant state spending. For example, Wisconsin used $200 million in federal TANF funds to supplant state spending for its Earned Income Tax Credit and then used half of the savings for tax relief.

Representative Johnson concludes her letter by saying: "If you and your fellow governors will continue to productively use these resources to help low-income families achieve independence, we will continue to do everything possible here in Washington to insure that the federal resources continue unabated and that we provide you with more and more flexibility in the use of these resources."

- For a copy of the letter, contact Marie Cohen at CLASP, mcohen@clasp.org.

## TANF Regulations: Increased Flexibility

The TANF regulations issued last April gave states great flexibility in spending TANF funds to help needy families. Comments by HHS TANF director Mack Storrs at a recent conference, as well as two new questions added to a HHS Question-and-Answer document available on the web amplify the flexibility that states have in several areas. These areas are: the definition of employment for the purposes of determining whether a service is "assistance" and the use of TANF funds for equipment and summer youth employment. In these areas as well as others, agencies and programs should be aware of the broad discretion that they can exercise in using TANF funds and defining services as assistance or non-assistance. Specifically,

**Definition of Assistance.** Many states are concerned that if they use TANF funds to provide child care or transportation to help teen parents finish their schooling, TANF requirements will apply to those teen parents who are not already receiving cash assistance. However, at a recent conference on TANF funding for teen pregnancy prevention co-sponsored by CLASP, the National Campaign to Prevent Teen Pregnancy, the American Public Human Services Association and the Welfare Information Network, Mack Storrs, Director of the Self-Sufficiency Division at the Office of Family Assistance (OFA/HHS) noted that states should remember that supportive services are not assistance for those who are "employed" and states have the authority to define "employed" for this purpose. Thus, it would be possible for a state to consider a teen who worked an hour a day to be employed so that child care and transportation services provided to that parent would not constitute assistance.

**Purchase of Real Property and Equipment.** A state may not use TANF funds to construct or purchase buildings or facilities or to purchase real estate. However, this Comptroller General prohibition on the use of appropriated funds for the improvement of property without specific legislative authority does not prohibit a State from minor remodeling or non-structural renovation. Moreover, TANF funds can be used to purchase equipment—such as computer or playground equipment—subject to the requirements of federal regulations (45 CFR part 92).

**Internet Access for Needy Families.** In a new question added to an HHS document on the web, *Questions on TANF Policy Issues and TANF Data Reporting* (available at http://www.acf.dhhs.gov/programs/ofa/qapol.htm), HHS explains that using TANF funds to help needy families purchase computers and/or access the internet is consistent with the purposes of TANF. The answer also states that a state could use broader eligibility for such a program than the criteria it uses for cash assistance. Finally, the document indicates that HHS would treat expenditures on computers and Internet access for families as program expenditures and would not count them toward the 15 percent administrative cap.

**Summer Youth Employment.** There has been increasing interest among states and counties in the possibility of providing TANF funds for summer youth employment programs in light of the transition from the Job Training Partnership Act to the Workforce Investment Act, which contains no funds earmarked for summer youth jobs and requires that 30% of all funds be spent on out-of-school youths, who would not generally be in summer jobs programs. In a new Question and Answer added to the document mentioned above, HHS suggests that using TANF funds for summer youth employment programs could be justified under the purposes of TANF. It also clarifies that as wage subsidies, summer jobs programs do not constitute assistance and thus do not subject participants to TANF requirements such as work and time limits.

- For more information on TANF funding, see "Funding Services for Children and Families through TANF," at http://www.acf.dhhs.gov/programs/ofa/funds2.htm. Other information on TANF funding and policy is available on the Office of Family Assistance website, www.acf.dhhs.gov/programs/ofa.

## Subsidized Wage-Paying Jobs: NYC Overrides Mayor's Veto

Building on a new model welfare-to-work initiative that has taken hold in cities and states around the country, the New York City Council enacted the Transitional Jobs Program and overrode a Mayoral veto. The program will provide subsidized wage-paying jobs with training for those low-income families in New York City who are having the most difficult time finding employment.

The New York City Transitional Jobs Program creates 7,500 placements over the next three years in public and non-profit sector jobs. In contrast to workfare placements, the program would substitute a paycheck for a welfare check and provide jobs lasting 12 months. In addition, the program will include a minimum of eight hours a week of training and education among other necessary support services. The workers will earn $7.50 an hour (which is half of what the federal Labor Department has determined is necessary for a family's "lower living" budget in

New York City) working in full- and part-time jobs. In addition, the workers will qualify for the federal Earned Income Tax Credit, contributing at least $3,600 in additional family income.

A recent national evaluation of the federal Welfare-to-Work program conducted by Mathematica Policy Research found that similar programs now exist in twenty of the twenty-two cities and states studied. Urged on by a U.S. Conference of Mayors resolution calling on city officials "to expand innovative programs that create publicly-funded, transitional jobs for welfare recipients and other hard-to-employ individuals," the program has been especially popular in major urban areas. For example, major programs have been established in Philadelphia, Baltimore, Detroit, Miami, Seattle, and San Francisco.

The New York City program is the result of a broad-based community campaign. According to Lee Saunders, the Administrator for District Council 37, American Federation of State, County & Municipal Employees (AFSCME), "District Council 37, the city's largest public employee union, has witnessed first hand the failings of the current workfare program. We joined up with a broad alliance of community-based organizations and the City Council to help develop the transitional jobs program -- a program that puts people to work in real jobs. This is a positive alternative to the present dead-end workfare program. DC 37 will do everything in its power to make sure this program succeeds. We believe that the campaign for a transitional jobs program in New York City will serve as a model for other cities and states on how the labor movement and the community can join together in a grassroots effort to make a difference in the lives of low-income families."

*The above is excerpted from a National Employment Law Project press release (March 30, 2000)*

## Supported Employment: A More Planned Role in Welfare-to-Work

A recently released report, "Early Implementation of the Welfare-to-Work Grants Program: Findings from Exploratory Site Visits and Review of Program Plans" from Mathematica Policy Research, provides information on the early design, operations, and implementation of the Welfare-to-Work (WtW) program. The report is based on 22 site visits conducted in 1999 and a review of documents submitted by programs to the Department of Labor.

The report finds that "[o]ne of the distinct features of the emerging WtW-funded programs appears to be the emphasis placed on supported employment opportunities, typically involving some form of subsidized work or enhanced work experience." While supported work activities have traditionally been offered to a limited extent through employment and training and welfare programs, "supported employment may be more prominent in WtW grant programs, playing a role at least equal to direct job placement or workfare…"

In a survey of WtW grantees, more than 90 percent of grantees reported that they would be providing supported employment activities as an interim step toward unsubsidized employment. In the new report, this survey finding was confirmed by site visits to 22 selected local sites. Twenty of the 22 sites provide some form of supported employment. The Philadelphia@Work program and the Public Sector Employment program of the Detroit Employment and Training Department are cited as examples.

In 13 of the 22 sites visited, supported employment activities are used when efforts to place participants in unsubsidized employment are unsuccessful. Seven of the sites "make supported employment their main WtW strategy and use it for all participants" (although participants may have already been through a TANF job search program). In these sites, participants are placed in a work assignment in conjunction with additional education, skills development, or training. Only two of the 22 sites visited reported having little or no focus on subsidized work or enhanced work experience.

The report also includes findings on interactions between the TANF and WtW programs and how programs are targeting services to specific subgroups of the WtW eligible population. Although almost half of WtW programs are developing special services or outreach efforts for subgroups of the overall eligible population, most programs report that they are prepared to serve all eligible persons. Noncustodial parents are the most common special target group. The report also discusses some of the problems related to interactions between the TANF and WtW programs, especially the low rate of referrals from TANF agencies to WtW programs. Factors identified as contributing to the low referral rate include TANF performance goals that make TANF agencies reluctant to refer participants to other agencies and a lack of information about WtW services and how they may differ from TANF services.

*The following was submitted to CU by Shawn Fremstad, Center on Budget and Policy Priorities.*

- A copy of the report is available at http://www.mathematica-mpr.com/congress-ui.pdf or contact Shawn Fremstad at fremstad@cbpp.org or (202) 408-1080.

## Cocaine: Child Impact Not Cracked Up to Original Fears

The effect of cocaine use by pregnant women has been of concern to many policymakers since the explosion of crack cocaine use in the 1980s. Researchers have obtained mixed results to date on whether cocaine use by pregnant women results in lasting problems for their children. Since 1989, a team of researchers at Albert Einstein Medical Center in Philadelphia has been studying a group of 101 poor, inner-city children who were prenatally exposed to cocaine and a group of 118 inner-city children of similar economic status since 1989. The team has come up with some surprising results.

The researchers found no difference in IQ scores between the cocaine-exposed children and the controls at age four. However, both groups performed poorly on the tests, with 93% of the cocaine-exposed and 96% of the control children having IQ scores below the mean of 100. On another test that attempted to measure the quality of play among the children at ages three and a half and four and a half, the researchers found no evidence of more disorganized or impulsive play among the cocaine-exposed children. But again, they found that these children scored consistently lower on “mental organization”—a characteristic associated with school success—than a group of children of mixed socioeconomic status.

The authors looked for characteristics that differentiated the small number of children who scored average or above on IQ tests from those who scored below average. They found that the most important differences between the two groups were in the quality of the home environment and the child's interactions with his/her caregivers. Those who did better on the tests were more likely to be living in stimulating environments with warm and loving caregivers.

In findings that have not yet been published, the research team has also found that more than 25% of both groups scored below normal on skills needed for school readiness, and nearly one out of five of the children had to repeat first grade or was placed in special education. Moreover, violence was a major presence in their lives. When 113 of the children were interviewed at age seven, 74% reported that they had heard gunshots and 60% worried that they might get killed or otherwise die.

The authors of the study conclude that their work "adds to the literature suggesting that labeling 'crack' babies as irreparably damaged is unjustified." They suggest that their findings "should serve as an impetus to focus on the needs of inner-city children at an early age…Interventions to improve the outcome of inner-city children should be targeted, powerful, and early."

- For reprints or more information, contact Joan Giammetta at (215) 456-7253. An article on these results from the Philadelphia Inquirer can be found on the web at http://www.phillynews.com/inquirer/2000/Mar/03/front_page/CRACK03.htm.

## RESOURCES

**Annual Conference to End Homelessness.** The National Alliance to End Homelessness Annual Conference, **2010: The End of Homelessness**, will be held July 12-15, 2000, with added pre-conference and post-conference activities on the 12th and 15th, in Washington, DC, at the Capital Hilton Hotel. This forum for program re-examination and idea development offers top of the line keynote speakers, training institutes, workshops, community planning sessions, Washington DC site visits to local providers, and more. Plan to explore the wide range of diverse topics critical to our pursuit of ending homelessness including: housing development, jobs and the Labor Department, public education, data collection systems, corporate development, executive director training, shelter plus care, foster care and youth, and more.

- For more information, contact the Alliance at (202) 638-1526 or e-mail information requests to naeh@naeh.org.

**National Campaign to End Gun Violence Underway.** First Monday 2000, a national campaign to end gun violence, is uniting individuals all over the country. The campaign seeks to organize concerned citizens from all disciples, with a specific emphasis on the legal, social work, medical, nursing, and public health communities. Huge citywide events are being planned, with community leaders, elected officials and celebrities all putting their voices together to combat gun violence.

Many First Monday 2000 events will be anchored by a 30-minute documentary film directed by award-winning filmmakers Liz Garbus and Rory Kennedy. This film will be available for screenings at campuses and cities nationwide. First Monday 2000 is a program of the Alliance for Justice, a national association of public interest advocacy organizations located in Washington DC.

- More information about First Monday 2000 is available at the website http://www.firstmonday2000.com, or at the Alliance for Justice website at http://www.afj.org.

**New Website Profiles State Strategies for Serving "Hard to Place."** A new website, Strategies for Overcoming Serious Employment Barriers, profiles nearly 50 state and local practices for addressing specific or multiple employment barriers, provides contact information for obtaining further program details, and poses a series of issues and questions states may want to consider in implementing similar strategies. A tight labor market, combined with an interest in continuing the successful welfare reform effort, prompted most states to develop one or more strategies for serving the so-called "hard to place." Some states have implemented programs on a statewide basis, while others are piloting initiatives in one or a few local areas. States submitted program examples to NGA in conjunction with two promising practices meetings held in the fall of 1999 and early 2000. The Center will add new program examples as they are submitted online and reviewed.

- Strategies for Overcoming Serious Employment Barriers can be accessed at http://www.nga.org/Welfare/SeriousBarriers.asp.

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**May 5, 2000**
**Discrimination: from welfare to work.** Race discrimination is not new but a number of new research reports from around the country provide convincing evidence that such discrimination remains present in welfare offices and personnel offices. What is the nature of the discrimination? What impact does it have on job placement and support services? What are some concrete steps that program administrators, employers, and advocates are taking to recognize the issue and rectify it? *Guests: Jocelyn Frye, National Partnership for Women & Families; Susan Gooden, Virginia Tech Ctr. For Public Administration & Policy; Brenda Palms-Barber, Employment Network, Chicago*

**May 12, 2000**
**Faith Based Services: from soup to salaries.** The Administration's latest HUD budget proposes $20 million to increase the role of faith and community based organizations in HUD-related programs. Historically, religiously affiliated groups such as Catholic Charities have often been pivotal providers of social services in local communities. Will such groups expand their role in an era of devolution? What is the anticipated impact of the 1996 "charitable choice" provision which allows "pervasively sectarian" entities to receive government contracts for some programs? What are different strategies for involving faith-based services in local employment efforts? *Guests: Father Joseph Hacala, Center for Community and Interfaith Partnerships, HUD; Reverend Rolland Slade, Health and Human Services, San Diego; Pastor Tyrone Hicks, Sacramento Valley Organizing Community, CA*

**May 19, 2000**
**Poverty: from 1960s to 21st century measures.** Diet defines poverty. The official poverty measure was established in 1963 based on the cost of the least expensive food plan for a family. Most experts believe a new measure is needed since family expenditure patterns have changed dramatically. While government officials and experts are deliberating alternatives, one new instrument -- the Self-Sufficiency Standard – has already been used in a number of localities. The Standard has been used to train welfare caseworkers to assess the actual income needs of families and encourage targeting placement at jobs with adequate wages and supports. What and when can we expect regarding official revision of the poverty measure? How are different localities using the Self-Sufficiency Standard? *Guests: Kathy Porter, Center on Budget and Policy Priorities; Diana Pearce, University of Washington; Laura Russell, Women's Education and Industrial Union*

**June 9, 2000**
**Kids' Insurance: from child support to medical support.** When child support orders are issued they are supposed to provide both cash assistance and health care coverage for the children. However, few do. To address this problem, Congress created a public/private task force and charged it with making recommendations on how to improve the medical support process. Issued in mid-2000, the report is expected to generate new legislation aimed at getting more children more health insurance. How much private insurance can be expected from tougher enforcement? What links to Medicaid can be legislated? How will employers respond and handle their role? *Guests: Barbara Pryor, Office of Senator Rockefeller; Rita Zeidner, American Payroll Association; Paula Roberts, CLASP*

**June 23, 2000**
**Family Leave: from unpaid to unemployment insurance.** "There are still large numbers of families who need to take leave from work, but can't afford to give up the income" and this, explained President Clinton is why he is promoting a new rule that give states the option to tap unemployment insurance programs for paid leave. The Family and Medical Leave act protects certain employees from job loss when they leave work for up to 3 months to care for newborns or for health reasons -- but leave is without pay. Thus, those who can not afford to lose wages are forced, as the President has said, "to choose between the job they need and the parent or child they love." Which states are taking the option to tap UI programs? What are concerns about tapping UI? What other funds, in addition to UI, could pay for leave? What are the child development reasons for leave to care for newborns? *Guests: Donna Lenhoff, National Partnership for Women & Families; Matt Melmed, Zero to Three; Maurice Emsellem, National Employment Law Project*

**July 7, 2000**
**Moms in Recovery: from felons to future employees.** Since 1996, federal law precludes - for life - receipt of food stamps and cash grants by those with a drug felony unless the state overrides the federal legislation. Nearly half the states left the federal provision in tact. In 1996 little was known about convicted drug felons; at least one state study suggests there may be reason for greater public empathy than legislators might have anticipated. Notably, the study found that many women with a drug felony conviction began using drugs in direct response to abuse. What else is known about women with drug felonies? What steps have welfare agencies taken to address this target population? Are there local innovations that combine treatment needs with improved employment outcomes? *Guests: Amy Hirsch, Philadelphia Legal Services; Gwen Rubinstein, Legal Action Center; Dr. Shushma Taylor, Center Point, San Rafael, CA*

**July 21, 2000**
**Fragile Families: from birth to bonding to bills.** A single mother gives birth. A common assumption is that she is alone. However, recent research indicates higher levels of co-habitation amongst unmarried mothers with newborns than previously appreciated. This may present an opportunity to help those couples that want to stay connected; new strategies for assisting these "fragile families" to stay together are being developed. In addition, a purpose of TANF -- the welfare law -- is to "encourage the formation and maintenance of two-parent families." How significant are the advantages of families with two parents? If a single parent raises a child, is there much difference for that child if the single parent is divorced or never married? What can a local program do to enhance father-engagement in a child's early life? What are states doing to achieve the welfare law's purpose? Where does marriage fit? *Guests: Sara McLanahan, Office of Population Research, Princeton University; Theodora Ooms, Center for Law and Social Policy; Joe Jones, Center for Fathers, Families, and Workforce Development.*

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# CLASP*Update*

**A CLASP Report on Welfare Developments**

**Jodie Levin-Epstein, Editor**

**May 2000**

## FEDERAL NEWS

### National Campaign for Jobs and Income Kicks Off in Chicago

Approximately 1,600 grassroots and prominent public leaders from 40 states marched at a rally in Chicago on May 6, 2000, to support the National Campaign for Jobs and Income Support, a national, broad based coalition advocating income supports such as health care, transportation, and affordable housing. More than 100 diverse national and local antipoverty organizations form the coalition, ranging from the Massachusetts Immigrant and Refugee Advocacy Coalition to Wider Opportunities for Women to the Chicago Coalition for the Homeless. In plenaries and workshops at the rally, local activists talked about income supports they achieved in their areas and offered tips for others who sought to replicate their success elsewhere.

At the rally, the Campaign announced its national agenda for change aimed at reducing poverty and inequality and its goals for reauthorization of the federal welfare law in 2002. Developing a national agenda for economic justice was the first step in the Campaign's Action Plan, which also includes launching coordinated issue campaigns and challenging politicians to push for policies to promote living wage jobs and income security.

**INSIDE…**



Contributors: Marie Cohen, Martha Nguyen, Lisa Plimpton

The platform of policy reforms, which frame the Campaign's goals, is built on the work of grassroots groups and draws on the combined strength of labor, religious, civil rights, women's and other organizations. The platform principles, posted on the National Campaign website, are:

- Jobs should pay a living wage and provide adequate benefits.

- The nation's system of income support should meet everyone's basic needs for housing, education, health care, transportation, food, and clothing.
- Race and gender equity shall be a central goal of all policies, programs, and practices adopted to eliminate poverty.
- Public policies should allow all people to balance the demands of work and family life.
- Targeted investments are needed in low-income communities.

The National Campaign also released results of a study on barriers faced by applicants for federally subsidized programs to which they are entitled. Using standardized questionnaires, the researchers systematically documented the experiences of applicants in six states across the country. "Access Denied" found that applicants for food stamp, Medicaid, child care, and Children's Health Insurance Program benefits routinely faced diversion tactics in welfare offices.

Says Deepak Bhargava, the National Campaign's executive director, "Despite today's booming economy and budget surpluses, a shameful pattern of negligence and systematic diversions is denying benefits to families who desperately need them. In the wake of welfare reform laws that generally gave states more flexibility in operating these programs, families have been victimized by the free-wheeling behavior of states who apply rules arbitrarily and capriciously and some states appear to be violating federal protections in the process."

The study reflects the preliminary findings from testing projects in Arkansas, Idaho, Montana, Oregon, South Carolina, and Washington. According to the testing projects, states routinely discouraged applicants through misinformation, tedious application processes, and degrading interactions with caseworkers. The report also recommends several immediate steps federal agencies should take to ensure families are receiving the benefits they need, including monitoring states, enforcing existing laws that protect applicants' rights, and rewarding states that enroll high percentages of eligible people.

- For more information on the National Campaign for Jobs and Income Support see http://www.communitychange.org/nationalcampaign/. "Access Denied," a study by the Northwest Federation of Community Organizations, is available at http://www.nwfco.org/Nwfco/Report_AccessDenied.pdf.

## STATE POLICY DOCUMENTATION PROJECT

### Financial Eligibility for TANF Cash Assistance

The State Policy Documentation Project (SPDP), a joint project of CLASP and the Center on Budget and Policy Priorities, tracks TANF policy decisions in the 50 states and DC. The project collects information on state policy, not practice. This article reflects policies in effect as of the end of 1998.

States use a variety of financial eligibility rules to determine whether a needy family qualifies to receive TANF cash assistance. In all states, a family's current income must fall below established standards in order to qualify for benefits. In every state but Ohio, eligibility is also based on a family's assets. Countable assets must fall below specified limits or a family will not qualify for aid regardless of its current income.

**Asset Limits.** Every state except Ohio denies eligibility to applicants and recipients with countable assets above specified limits. All states exclude the value of a family's home from asset considerations. Some 22 states exclude the entire value of one family car, while 28 states exclude a portion of a car's value from asset determinations.

**Gross Income Limits.** Under AFDC, a gross income test was the first income screen used to determine a family's eligibility for cash assistance. Under this test, a family's gross income--total earned and unearned income with few or no exclusions--had to fall below a "gross income limit."

Some 29 states apply gross income tests to all applicants and recipients under TANF. Eight states use gross income limits for some families, and 14 states have no gross income limit. In most of the states with gross income rules, the gross income limit is set at a relatively high level. However, a family with income below the gross income limit still may be ineligible for assistance because its income is too high to meet subsequent income tests (described below). The gross income limit thus does not play a significant role in limiting eligibility in most states.

**Net Income Limits for Applicants.** In 28 states, applicants are subject to a "net income test," under which a portion of a family's income is disregarded and the remaining income is then compared with a "net income limit." Families in which countable income falls below the net income limit are considered eligible for assistance and the family's benefit amount is then determined (see below).

Under the net income test in most states, out-of-pocket child care expenses (up to specified maximums) and a portion of family earnings are deducted from gross income to determine countable net income. In most states, the portion of earnings disregarded for the net income test is smaller than the portion disregarded when determining a recipient's benefit amount. Because a greater share of income is counted for the net income test, some applicant families are found to be ineligible under the net income test even though they would be eligible for benefits if only the benefit calculation formula were used.

In 26 of the 28 states with a net income test, the test results in a lower income eligibility limit for applicants than for recipients. Families must have relatively low incomes to qualify as applicants, but once they become recipients they are able to have somewhat higher earnings before losing eligibility. In the states with no net income test, eligibility rules generally are the same for applicants and recipients. In those states, applicants and recipients are eligible as long as they qualify for a minimum amount of benefits under the benefit calculation formula.

**Benefit Calculation.** This is the final step in financial eligibility determination. Benefits in all states except Arkansas and Connecticut are calculated in one of two ways. In 35 states, a family's benefit is the difference between its countable income--income after various deductions--and the maximum welfare benefit for a family of its size. In measuring countable income, out-of-pocket child care expenses (in states that do not pay directly for a family's child care) and a portion of earned income are deducted from gross income. As discussed below, some states also disregard a portion of other sources of income (such as child support payments a family receives), and some states count specified sources of income not traditionally counted, such as EITC refunds.

In 14 states, benefits are calculated using a method known as "fill-the-gap" budgeting, which allows welfare recipients with earned income, and in some cases those with unearned income, to keep a larger share of benefits than would the more common benefit determination method described above. Under fill-the-gap rules, a family's countable income is subtracted from a standard other than the maximum benefit. The family's benefit level equals the difference between countable income and the standard--or a percentage of the difference--but the benefit can be no greater than the maximum benefit. In Maine, for example, the maximum benefit for a family of three is $461 and the "standard of need" used for fill-the-gap purposes is $596. A family with countable income (income after allowed deductions) of $200 would be eligible for a benefit of $396, the difference between the $596 need standard and the $200 countable income. Under the more common method for determining benefits, the family's welfare grant would be $261, the difference between countable income and the maximum benefit.

Arkansas and Connecticut are the only states that do not use one of these methods for benefit calculation purposes. In Arkansas, families are eligible either for the maximum benefit or 50% of the maximum payment, depending on the family' gross income. There is no other variation in benefits based on non-welfare income. In Connecticut, families subject to the state's 21-month time limit are allowed to receive the maximum benefit as long as earnings are below the federal poverty guideline. Once earnings exceed the poverty line, families become ineligible for benefits. (Connecticut's benefit rules are different for families applying for an extension to the time limit and for families not subject to the time limit.)

**Earned Income Disregard.** All states except Wisconsin disregard a portion of a family's earned income when determining eligibility and benefit levels. In many states, a portion of the "earned income disregard" reflects an estimate of work-related expenses incurred by employed parents. More generally, earned income disregards are intended to allow families to keep a share of their welfare benefits when they begin working and to phase out benefits somewhat gradually as earnings rise, as a means of helping families make the transition from welfare to work.

Under AFDC, the monthly earned income disregard was $120 and one-third of remaining earnings for the first four months of employment, $120 for the next eight months of employment, and $90 in subsequent months. This meant that after working for a year, families faced a one dollar benefit reduction for every dollar of earnings above $90 a month. As of 1998, only four states — Colorado, Delaware, Georgia, and Indiana — had retained the AFDC earned income disregards. (Indiana is expected to alter its disregard sometime in 2000). Most of the remaining states have altered the earned income disregard rules to make them more generous than the AFDC rules.

Eight states disregard a substantial portion of family earnings for a brief period and then reduce the disregard substantially. (Two of these states, Missouri and Texas, adopted these substantial time-limited disregards in 1999.) For example, 100% of earnings are disregarded for two months in Kentucky, which means families going to work receive the maximum welfare benefit regardless of their earnings. After two months of work, Kentucky welfare recipients are subject to the former AFDC earned income disregards.

In most other states, the earned income disregard is a fixed dollar amount (e.g., $200 in Wyoming), a percentage of earnings (e.g., 50% in Oregon), or a combination of the two (e.g., $200 and 20% of remaining earnings are disregarded in Michigan).

Wisconsin's benefit policy includes no earned income disregard.

**Maximum Benefits.** The maximum benefit amount generally is the benefit amount that a family with no countable income would receive. This includes families with no earnings, but it may include some families with earnings in many states. Families with modest earnings may have no countable income after the earned income disregard is applied. Families with substantial earnings may have no countable income in states that disregard 100% of earnings for a brief period when a parent starts working. In Connecticut and Virginia, families receive the maximum benefit until earnings reach or equal the poverty line.

In all states except Idaho and Wisconsin, the maximum benefit amount varies by family size. In a number of states, the maximum benefit varies by region.

**Treatment of Other Special Sources of Income:**

- **Child Support.** All TANF cash assistance recipients are required to assign child support payments they receive to the state to offset the costs of their welfare benefits. Under AFDC, up to the first $50 in monthly support payments was "passed through" to families and disregarded for benefit calculation purposes, but states are not required to continue this policy under TANF. Seventeen states currently "pass through" and disregard a portion of child support payments, and one state--Wisconsin--passes through and disregards the full amount of support payments. Connecticut, which disregards $100 of child support payments, passes through the entire payment. Because only a portion is disregarded, payments over $100 result in lower benefits.

- **SSI:** Under AFDC, parents or children receiving SSI benefits were not included in the assistance unit, and their SSI benefit was not counted in determining eligibility for cash assistance for other family members. Under TANF, states are not required to exclude SSI recipients and their income. Idaho includes SSI recipients in the TANF cash assistance unit and counts the SSI benefit as income. In Wisconsin, children receiving SSI are included in the cash assistance unit and their SSI benefits are counted as income. Parents receiving SSI are not eligible for cash assistance, but a single parent on SSI may qualify for a child-only benefit of $100 per child.

- **Earned Income Tax Credit:** Families eligible for the EITC can receive it as a lump sum payment when they file a tax return, or they can receive a portion of the credit throughout the year as part of each paycheck under the "advance payment" option. Under AFDC, EITC lump sum payments were not counted as part of a family's income. Any EITC amounts held by the family in the second month following the month of receipt were counted as assets. EITC amounts received as advance payments were not counted as income. Under TANF, all but three states--Connecticut, North Dakota, and New York--have maintained this treatment of EITC lump sum payments, and all but two states--Alabama and Connecticut--have maintained the AFDC treatment of advance payment EITC benefits.

- **Housing Assistance:** In some states, a family's welfare benefit is affected either by its housing costs or housing status. Some 20 states provide lower benefits either to families living in subsidized housing, to families with little or no shelter costs — whether they live in subsidized housing or private unsubsidized housing — or to families sharing housing with others.

- **Lump Sum Income:** Under AFDC, families that received a lump sum payment that was not expected to recur — such as a personal injury settlement — became ineligible for assistance for a period of months based on the size of the payment. Under TANF, 22 states have retained the AFDC rule. Another 18 states treat the lump sum payment solely as an asset. Three states count the payment as income for one month and as an asset in subsequent months. In four states, the lump sum payment leads to a period of ineligibility that is shorter than under the AFDC rule. Two states allow families to put lump sum payments in an Individual Development Account.

**Individual Development Accounts.** Some 30 states allow TANF recipients to establish special savings accounts known as Individual Development Accounts. IDAs are not considered as assets for TANF eligibility purposes. Depending on their design, they may not be counted as assets in other federal means-tested programs, either. Some IDA programs allow families to make contributions only from earnings, while others allow contributions to come from any source of income. Withdrawals from IDAs typically are limited to specified uses such as post-secondary education, home purchase, and small business capitalization. In at least 11 states, a family's IDA contribution is matched with TANF funds or funds from other sources.

➢ For 50-state comparison tables on TANF eligibility rules and more detailed descriptions of each state's policies, visit the SPDP website at http://www.spdp.org.

## STATE NEWS

### New York: TANF Funds Used to Expand Services to Needy Families, Replace State Funds

The New York State budget for FY 2000-2001, passed on May 5, uses TANF funds for some new initiatives for low-income families as well as increases in existing initiatives. Among the positive developments for low-income families are:

**Summer Jobs.** $35 million to create summer jobs for youth. Because of the transition to the Workforce Investment Act, the summer of 2000 will be the first summer since 1964 when summer jobs for youth are not authorized or funded as a separate federal program. As a result there has been great concern about cuts in summer youth employment around the country. New York is one of the first states to allocate TANF funds for summer youth jobs. The funds will support the wages for the summer employees as well as associated support services. They will be used to employ youth up to 200% of the poverty level.

**Earned Income Tax Credit (EITC) and Child Care Tax Credit.** $174 million for the state EITC, most of which will be used to increase the credit from 25% to 30% of the federal amount. Three million in TANF funds are also earmarked for expanding the child care tax credit, although the actual amount may turn out to be more.

**Subsidized Employment.** $45 million for a wage subsidy program, which will be an increase from $13 million in the current year. The program funds subsidized jobs administered by community-based organizations.

**Child Care.** $283 million in funding for child care, which includes a $119.5 million increase that should result in the creation of 28,000 new child care slots for low-income working families. In addition, there is $40 million for a new child care worker recruitment and retention program which will provide annual financial bonuses to child care workers based on their level of education.

**Home Visiting.** $14.8 million for the home visiting program, which provides health and social services to families of newborns who may be at risk of abuse or neglect. Of this amount $9.2 million is for expanding the program to up to ten new locations.

On the down side, an unknown amount of TANF dollars is being used to provide fiscal relief by "supplanting" previous state spending. Supplantation, which is legal under TANF, involves replacing state dollars with TANF dollars on activities that are allowable uses of TANF funding. The state funds thus freed up are sometimes used for purposes other than the TANF purposes, such as tax cuts or road construction. On April 23, the New York Times reported that since the creation of TANF, New York has used between $1 billion and $1.3 billion of TANF funds to replace state spending, thus allowing state funds to be used for other purposes, such as school aid and tax cuts. For example, the new National Campaign for Jobs and Income Support (see article on page 1) has reported that New York has used TANF funds to replace state spending for the Social Services Block Grant, the Earned Income Tax Credit, and child welfare programs. The report, which can be found on the internet at http://www.nationalcampaign.org/ccc/tanfsurplus/default.asp, mentions five other states that have engaged in supplantation. The article below describes the use of TANF funds to supplant state spending on teen pregnancy prevention and teen parent services in Wisconsin.

- For more information about the New York State budget and its impact on low-income people, contact Michael Kink, Children's Defense Fund-NY, (518) 449-2830; or Cristina Di Meo or Tim Casey, Federation of Protestant Welfare Agencies, (212) 777-4800.

- CU readers who have information on supplantation in their states are urged to contact Steve Savner (ssavner@clasp.org, 202-328-5118) or Mark Greenberg (mhgreen@clasp.org, 202-328-5132).

## REPRODUCTIVE HEALTH NEWS

### Supplantation: Wisconsin Uses TANF Funds to Replace State Funds for Teen Services

The Wisconsin legislature has passed into law a proposal from the Governor to replace about $4 million in state funds for teen pregnancy prevention and teen parent services with TANF funds in Fiscal year 2000-2001. Also enacted are a range of other programs in which TANF funds will be supplanted by state funds. See the Wisconsin Council on Children & Families article titled Wisconsin's Welfare Spending: On the Trail of the Disappearing Surplus on their website at http://www.wccf.org/TANFspending.pdf. The TANF funds will support a new program—Brighter Futures—that consolidates several separate pre-existing programs for teen pregnancy prevention, teen parent services, and other services to teens. Among the programs that had been funded by the state but will now be fully or partially paid for with TANF funds are (a) Adolescent Pregnancy Prevention Services ($340,000), which provides grants to public or private agencies or tribes to provide pregnancy and parenthood prevention services to high-risk adolescents; (b) Adolescent Self-Sufficiency Services ($582,100), which provides grants for services to adolescent parents; (c) Adolescent Services ($287,500), which provides an adolescent resource center and minority parenting skills training, and (d) Adolescent CHOICES ($157,500), which provides grants to projects aimed at reducing teen pregnancy, increasing self-sufficiency, enhancing self-esteem and responsible decision-making, and neutralizing sex-role stereotyping and bias. Funding for the first two programs will be completely replaced with TANF funding, while some general revenue would continue to be budgeted for the adolescent resource center ($62,500) and Adolescent CHOICES ($52,500).

As reported in the last edition of CLASP Update, there has been great concern in Congress about states using TANF funds to replace their own spending. Notably, Representative Nancy Johnson, the Chair of the House Welfare Subcommittee, wrote a letter to the governors urging them to avoid using TANF funds to "supplant" state spending. Supplantation, which is legal under TANF, involves replacing state dollars with TANF dollars on activities that are allowable uses of TANF funding. Supplantation is problematic not only because it does not increase services but because it provides ammunition to those who argue that TANF funding is too high and should be cut.

- CU readers who have information on supplantation in their states are urged to contact Marie Cohen at CLASP (mcohen@clasp.org, 202-328-5109) for reproductive health and teen parent programs.

## NEW FINDINGS

### Study Finds Positive Effects from Nurse Home Visitation Program

A recent study published in the Journal of the American Medical Association found intensive counseling during pregnancy and after birth helped young, low income mothers to have fewer children and lead more stable lives. The study involved over one thousand young women who were mostly African American, unmarried, unemployed high school dropouts in inner city Memphis, TN. The young women were divided into two groups. The control group received standard medical care while the other group received regular home visits from nurses during pregnancy and two years after birth in addition to prenatal medical care. The nurses were specially trained to teach the first time mothers child care techniques and medical instruction as well as offer counseling on pregnancy planning, education, family relationships, and preparing for employment. The average number of home visits was 7 during pregnancy and 26 from birth to the child's second birthday.

Women who received home visits by nurses had 14% fewer subsequent pregnancies over a five-year period than did the control group of mothers. Besides having fewer children, the mothers also had longer intervals between the birth of the first and second child, fewer closely spaced pregnancies, and fewer months of using Aid to Dependent Families with Children.

According to Harriet Kitzman, one of the authors of the study, the home visits helped the mothers learn how to better care for their children and make personal choices that could improve their own lives. The mothers were able to define their goals for the future and solve daily problems that may have interfered with finding work or completing a degree in the past. Also critical was the establishment of a trusting relationship between the nurse and mother. "They get decent advice from someone they really trust," said study developer David Olds, "The nurses help the women establish small goals for themselves, things they can accomplish. They build up a reservoir of successes that increases their confidence they can take on even larger challenges."

This study, begun in Memphis in 1990, replicated results found in a similar study conducted in Elmira, NY, with a primarily white, semi-rural sample. Although the Memphis trial's short-term results are smaller in magnitude than those achieved in the previous Elmira trial, the direction of the effects was consistent across the two studies. Since many of the substantial, long-term effects of the Elmira trial did not emerge until after the children entered school, the long-term effectiveness of Memphis trial is to be determined.

➢ "Enduring Effects of Nurse Home Visitation on Maternal Life Course" was published in Volume 283, Number 15 of the *Journal of the American Medical Association*. The study is available online at http://jama.ama-assn.org/issues/v283n15/full/joc91134.html.

### New Report Provides Insight on Role of Intermediaries in Welfare-to-Work

Since the passage of the 1996 welfare law, states and counties have been increasing their use of intermediaries—public and private organizations that act as brokers between the welfare system and employers. A new report from Mathematica Policy Research Inc. provides the first detailed examination of the role of intermediaries in welfare-to-work. Information was gathered through visits to 20 sites, one urban and one rural, in each of ten states.

Key findings of the study include:

- A broad range of organizations—including non-profits, for profit companies, educational institutions, and government or quasi-government agencies—act as intermediaries for welfare recipients. While most of these intermediaries are non-profits, for-profits are projected to serve almost half of the TANF clients to be served by intermediaries because they serve larger numbers of clients than do the nonprofits.
- The majority of the sites—7 urban and 5 rural—transferred responsibility for both case management and job search assistance to intermediaries. Eleven of the sites transferred only job search assistance responsibilities, and the remaining two transferred no responsibility to intermediaries.
- When employment-related services other than job search and case management are provided to TANF recipients, they almost always are provided by intermediaries. However, sites are just beginning to provide these other services, and few are able to offer a comprehensive set of services for those TANF clients who need more than job search assistance to make the transition to employment.
- While a few localities have shifted to performance-based payment arrangements, most still reimburse intermediaries for the actual costs they incur.
- The referral process is often tightly defined and monitored to channel referrals to intermediaries that are directly under the purview of the TANF agency. As a result, in sites where the TANF and Welfare-to-Work (WtW) employment programs are operated by different entities, WtW intermediaries often have difficulties receiving referrals for TANF clients.

- Intermediaries are operating in a new and changing environment where the flow of clients is rarely steady and predictable. In some of the urban sites, intermediaries are serving more clients than they anticipated serving. In the sites with the largest caseload declines, intermediaries are serving far fewer TANF clients than they anticipated serving. All intermediaries struggle with high no-show rates among the TANF clients referred to them.
- As TANF caseloads decline, intermediaries are concerned that there is a mismatch between the limited services they are asked to provide and the needs of the clients they are asked to serve. Many intermediaries feel that as TANF caseloads decline, they are serving more clients with multiple barriers to employment. Most intermediaries feel that they could better serve these families if they had more time to work with them and could provide a broader range of services.
- There is currently no conclusive evidence on whether intermediaries with certain characteristics perform better than others. Investing in research to examine this question could potentially help local welfare offices develop more effective TANF employment services.

➢ The new report, *The Role of Intermediaries in Linking TANF Recipients with Jobs*, is available on the Internet at http://www.mathematica-mpr.com/intermediaries.pdf.

## NEW FROM CLASP

**Looking Ahead to Reauthorization of TANF: Some Preliminary Thoughts** are presentation notes prepared by Mark Greenberg for the Bipartisan Welfare Reform Seminar for Senior Congressional and Administration Staff in February 2000. In a succinct outline, Greenberg highlights what has changed since the passage of the 1996 law and what it means for thinking about reauthorization. He also discusses six specific reauthorization issues related to TANF as a block grant and TANF as a cash assistance program.

➢ **Looking Ahead to Reauthorization of TANF** is available on the CLASP website at http://www.clasp.org/pubs/TANF/Looking%20Ahead%to%Reauthorization.htm. Contact Mark Greenberg at mhgreen@clasp.org with questions about the presentation.

**Overview of the Work of the Medical Child Support Working Group and Its Recommendations to Congress**, prepared by Paula Roberts, a member of the Working Group, summarizes the Working Group's recommendations to Congress. The 30-member Medical Child Support Working Group is composed of representatives of employers, insurers, health care plan administrators, payroll professionals, unions, parents and children's advocates, the DoL and HHS, as well as state and federal officials from Medicaid and child support agencies. The purpose of the Working Group is to 1) identify barriers in the current system that make it hard for children to obtain health care coverage; and 2) make recommendations to eliminate these barriers. The Overview includes specific recommendations requiring Congressional action.

- The Overview is available on the CLASP website at http://www.clasp.org/pubs/childrenforce/MCSWrecommendations.htm. Contact Paula Roberts at proberts@clasp.org with questions about the report. On June 9th, CLASP is hosting an Audio Conference on the report. To participate in this discussion featuring Paula Roberts, Barbara Pryor (Office of Senator Rockefeller), and Rita Zeidner (American Payroll Association), go to http://www.clasp.org/2000audioconferencebrochure.html for conference registration or to purchase a tape.

**Kellogg Devolution Paper: Realistic Child Support Policies for Low Income Fathers**, by Vicki Turestsky, identifies strategies states can use to tailor their standard child support practices to fathers with limited ability to pay. These strategies emphasize the importance of encouraging regular child support payments whenever possible, even if those payments are small. The paper covers issues such as pass through, managing uncollectible arrearages, recognizing two parent families, and expanding case management.

- **Realistic Child Support Policies for Low Income Fathers** is available on the CLASP website at http://www.clasp.org/pubs/childrenforce/kellogg.htm. Contact Vicki Turetsky at vturet@clasp.org for questions about the paper.

## RESOURCES

**How Much is Enough? Basic Family Budgets for Working Families** reviews family budgets to determine the income necessary for working families to meet their basic needs. Authors Jared Bernstein, Chauna Brocht, and Maggie Spade-Aguilar tally expenditures on budget items necessary for a working family to maintain a safe and decent standard of living, including food, housing, child care, transportation, health care, taxes, and other necessities. The report reviews 19 basic family budgets in various cities across the country which provide an alternative to the federal poverty line. Upon examining actual expenditures the authors find that low income families tend to spend less on basic necessities than recommended by basic family budgets, suggesting that such families are not fully meeting their basic needs. The report also outlines a number of key policy options that the authors feel would best address the currently unmet needs of low income working families, including full employment, higher quality jobs and expanded work supports, more bargaining power for workers, and worker training.

- The executive summary and introduction of the report are available at the Economic Policy Institute's homepage, http://www.epinet.org. To order a copy of **How Much is Enough?** contact EPI at 800-EPI-4844. The report costs $12.95 plus shipping.

**The Changing Face of Poor Families in New York City**, a Community Service Society Data Brief, explores the rise in the poverty rate and the shifting demographic profile of poor families with children from the late 1980's to the late 1990's. The Brief develops its analysis in three stages: first, it looks at shifts in the kinds of families that live in New York City, then it details changes in poverty rates for different kinds of families, and finally, it examines changing demographic makeup of the poor. The analysis indicates that poverty rates rose for the kinds of families that have historically been the least likely to be poor, including those headed by persons with some postsecondary education, an employed person, or a married couple. The city's figures are markedly different from national poverty numbers, which remained statistically the same for the period studied. The report includes policy recommendations as well as a technical appendix explaining the report tabulations.

- **The Changing Face of Poor Families in New York City** is available online at http://www.cssny.org/reports/databrief/databrief4_7_00.htm. Contact Mark Levitan at mlevitan@cssny.org with questions about the report.

**Fourth Quarter FY 1999 TANF Financial Data** was recently posted on the Internet. Under the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, states are required to submit quarterly reports to HHS detailing how they are spending federal and state funds in the Temporary Assistance for Needy Families (TANF) program. Highlights include overall expenditures, Maintenance of Effort (MOE), child care, work activities, transferring TANF funds, administrative costs, separate state programs, other expenditures, and how states used federal funds.

- The financial data can be found on the Administration for Children and Families, Office of Financial Services website: http://www.acf.dhhs.gov/programs/ofs/data/q499/index.html

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**Discrimination: from welfare to work.** Race discrimination is not new but a number of new research reports from around the country provide convincing evidence that such discrimination remains present in welfare offices and personnel offices. What is the nature of the discrimination? What impact does it have on job placement and support services? What are some concrete steps that program administrators, employers, and advocates are taking to recognize the issue and rectify it? *Guests: Jocelyn Frye, National Partnership for Women & Families; Susan Gooden, Virginia Tech Ctr. For Public Administration & Policy; Brenda Palms-Barber, Employment Network, Chicago*

**May 12, 2000**
**Faith Based Services: from soup to salaries.** The Administration's latest HUD budget proposes $20 million to increase the role of faith and community based organizations in HUD-related programs. Historically, religiously affiliated groups such as Catholic Charities have often been pivotal providers of social services in local communities. Will such groups expand their role in an era of devolution? What is the anticipated impact of the 1996 "charitable choice" provision which allows "pervasively sectarian" entities to receive government contracts for some programs? What are different strategies for involving faith-based services in local employment efforts? *Guests: Father Joseph Hacala, Center for Community and Interfaith Partnerships, HUD; Reverend Rolland Slade, Health and Human Services, San Diego; Pastor Tyrone Hicks, Sacramento Valley Organizing Community, CA*

**May 19, 2000**
**Poverty: from 1960s to 21st century measures.** Diet defines poverty. The official poverty measure was established in 1963 based on the cost of the least expensive food plan for a family. Most experts believe a new measure is needed since family expenditure patterns have changed dramatically. While government officials and experts are deliberating alternatives, one new instrument – the Self-Sufficiency Standard – has already been used in a number of localities. The Standard has been used to train welfare caseworkers to assess the actual income needs of families and encourage targeting placement at jobs with adequate wages and supports. What and when can we expect regarding official revision of the poverty measure? How are different localities using the Self-Sufficiency Standard? *Guests: Kathy Porter, Center on Budget and Policy Priorities; Diana Pearce, University of Washington; Laura Russell, Women's Education and Industrial Union*

**June 9, 2000**
**Kids' Insurance: from child support to medical support.** When child support orders are issued they are supposed to provide both cash assistance and health care coverage for the children. However, few do. To address this problem, Congress created a public/private task force and charged it with making recommendations on how to improve the medical support process. Issued in mid-2000, the report is expected to generate new legislation aimed at getting more children more health insurance. How much private insurance can be expected from tougher enforcement? What links to Medicaid can be legislated? How will employers respond and handle their role? *Guests: Barbara Pryor, Office of Senator Rockefeller; Rita Zeidner, American Payroll Association; Paula Roberts, CLASP*

**June 23, 2000**
**Family Leave: from unpaid to unemployment insurance.** "There are still large numbers of families who need to take leave from work, but can't afford to give up the income" and this, explained President Clinton is why he is promoting a new rule that give states the option to tap unemployment insurance programs for paid leave. The Family and Medical Leave act protects certain employees from job loss when they leave work for up to 3 months to care for newborns or for health reasons -- but leave is without pay. Thus, those who can not afford to lose wages are forced, as the President has said, "to choose between the job they need and the parent or child they love." Which states are taking the option to tap UI programs? What are concerns about tapping UI? What other funds, in addition to UI, could pay for leave? What are the child development reasons for leave to care for newborns? *Guests: Donna Lenhoff, National Partnership for Women & Families; Matt Melmed, Zero to Three; Maurice Emsellem, National Employment Law Project*

**July 7, 2000**
**Moms in Recovery: from felons to future employees.** Since 1996, federal law precludes - for life - receipt of food stamps and cash grants by those with a drug felony unless the state overrides the federal legislation. Nearly half the states left the federal provision in tact. In 1996 little was known about convicted drug felons; at least one state study suggests there may be reason for greater public empathy than legislators might have anticipated. Notably, the study found that many women with a drug felony conviction began using drugs in direct response to abuse. What else is known about women with drug felonies? What steps have welfare agencies taken to address this target population? Are there local innovations that combine treatment needs with improved employment outcomes? *Guests: Amy Hirsch, Philadelphia Legal Services; Gwen Rubinstein, Legal Action Center; Dr. Shushma Taylor, Center Point, San Rafael, CA*

**July 21, 2000**
**Fragile Families: from birth to bonding to bills.** A single mother gives birth. A common assumption is that she is alone. However, recent research indicates higher levels of co-habitation amongst unmarried mothers with newborns than previously appreciated. This may present an opportunity to help those couples that want to stay connected; new strategies for assisting these "fragile families" to stay together are being developed. In addition, a purpose of TANF – the welfare law -- is to "encourage the formation and maintenance of two-parent families." How significant are the advantages of families with two parents? If a single parent raises a child, is there much difference for that child if the single parent is divorced or never-married? What can a local program do to enhance father-engagement in a child's early life? What are states doing to achieve the welfare law's purpose? Where does marriage fit? *Guests: Sara McLanahan, Office of Population Research, Princeton University; Theodora Ooms, Center for Law and Social Policy; Joe Jones, Center for Fathers, Families, and Workforce Development.*

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# CLASP*Update*

**A CLASP Report on Welfare Developments**

**Jodie Levin-Epstein, Editor**

**June 2000**

## WORKING FAMILIES

### Most Americans Want Government to Help

A recent survey reveals that Americans support government assistance of working families struggling to move out of poverty. The study indicates that Americans support policies that go beyond placing welfare recipients into the first available job. For example, 77% of Americans feel the government should help people moving from welfare to work to get training and find jobs that offer opportunities for advancement so that they increase their chances of building careers and remaining self-sufficient. In contrast, only 19% feel it is more important for the government to move people leaving welfare into jobs as quickly as possible regardless of the opportunity for advancement.

**INSIDE…**



Contributors: Megan Annitto, Marie Cohen, David Engstrom, Mark Greenberg, Martha Nguyen, Paula Roberts, and Rachel Shumacher

Among respondents, there was almost universal agreement that "as a country, we should make sure that people who work full-time should be able to earn enough to keep their families out of poverty." 94% of those surveyed agreed with this statement, including 80% who "strongly agreed." Moreover, seven in ten feel the government should continue to help people with things like childcare and training even after they enter the workforce. The survey also found that:

- 90% believed that government should help pay for education and job training for people leaving welfare.
- 90% favored helping low income Americans develop the skills they need to compete in the global economy.

- 86% supported giving tax cuts to people who work but do not earn enough to keep their families out of poverty.
- 77% supported offering tax cuts to businesses that hire people leaving welfare.

Even if the above measures meant an increase in government spending, respondents maintained high levels of support:

- 88% of those who favored education and training continued their support even if government spending would increase.
- 88% of those who supported tax cuts for working poor families supported them even if it meant more government spending.

Regarding the "success" of welfare reform, 53% said that they think welfare reform has been successful, while 40% think that it has not been successful. Of those who consider welfare reform successful, however, over half of them would not consider it successful if those who have moved from welfare to work are still living in poverty despite their employment.

➢ "A National Survey of American Attitudes towards Low-Wage Workers and Welfare Reform: Survey Summary" by Jobs for the Future, a Boston-based employment research organization, is available online at http://www.jff.org/whatsnewfolder/FinalSurveyData.PDF.

**Minnesota and Canadian Demonstrations: Decrease Poverty and Increase Well-Being**

The Manpower Demonstration Research Corporation recently released results from evaluations of the Minnesota Family Investment Program (MFIP) and the Canadian Self-Sufficiency Project (SSP). Both programs increased employment and reduced poverty rates. MFIP led to measurable increases in child well-being, marriage rates, and homeownership among program participants. Evaluations of other welfare reform demonstration projects have found similar positive employment impacts, but no other welfare reform evaluation has found as wide a range of positive anti-poverty and family well-being impacts.

**Major Features of the MFIP and SSP Demonstrations**. A demonstration welfare reform initiative that operated in seven Minnesota counties from 1994 to 1997, MFIP included especially generous financial incentives for working families. MFIP combined cash welfare and food stamp benefits into a single program with a uniform set of program rules for families with children. The food stamp portion of the MFIP benefit was paid in cash instead of food stamp coupons. The value of the food portion of the grant was equal to the food benefit for families receiving the maximum shelter deduction so for many families the basic grant exceeded the total amount they would have been eligible for if they had been receiving AFDC and food stamps separately. Families remained eligible for MFIP benefits until they had earnings equal to 140 percent of the federal poverty level. Participants received child care assistance and Medicaid and were eligible for transitional benefits after leaving the program. MFIP assistance was not time-limited.

MFIP had a work requirement, but it was much less stringent than the work requirements currently in place in most state TANF programs. Single-parent families were not required to engage in work activities until they had received welfare for 24 months in a 36-month period. The sanction for noncompliance with the work requirement was 10 percent of the grant. One parent in a two-parent family was subject to a work requirement and two-parent families were not subject to the AFDC program's "100 hour" rule for two-parent families. Individuals were exempt from work requirements if they had children under age 1, were needed in the home because of the illness or incapacity of another family member, were already working 30 hours per week, or had a child under age 6 and were working or participating in an employment activity for at least 20 hours a week.

It is important to note that the MFIP demonstration evaluated by MDRC is distinct from Minnesota's current TANF program that also is called MFIP. The demonstration included more generous financial incentives and less restrictive work requirements than the state's current TANF program.

> "Families need more money than they can earn themselves. For the first time, we see that this can have an impact on families—on people staying together and on kids."
>
> Ron Haskins, Staff Director of the Subcommittee on Human Resources, House Ways and Means Committee,
> from "Welfare Plan Gives Families Surer Footing, Study Says" LA Times, Marlene Cimons, June 1, 2000.

SSP was designed to increase the rate of full-time employment among long-term single parent welfare recipients. SSP participants who worked at least 30 hours per week received a generous financial supplement instead of traditional welfare benefits. The supplement was only available for single-parents who had received welfare benefits for at least one year. Participation in the program was voluntary and there was no requirement to participate in employment-related services. SSP benefits were limited to three years.

**The Results**. The documents released by MDRC summarize results from the MFIP and SSP evaluations. More than 14,000 families participated in the MFIP evaluation and about 5,600 families participated in the main SSP evaluation. In both programs, families were assigned at random to a program group that received the more generous financial incentives or to a control group that did not receive additional incentives. The program "impacts" listed below measure the differences in outcomes between these two groups.

In MDRC's MFIP summary, results are reported for four different subgroups: single-parent recipients who had received welfare for more than 24 months, two-parent recipient families, single-parent applicants for welfare, and two-parent applicants for welfare. More extensive family well-being results are reported for recipients living in urban counties in Minnesota with children age 2 to 9 when they entered the study. In the SSP summary, results generally are not reported by subgroups since two-parent families and new welfare applicants were not eligible for the program.

In MFIP, the most dramatic results were for single-parent long-term recipient families and two-parent recipient families. Among single-parent long-term recipient families:

- employment increased by 35 percent

- average earnings increased by 23 percent
- the number of families with incomes above the poverty line increased by 68 percent
- the percentage of married recipients increased by 51 percent (although a relatively small percentage - 10 percent - of single-parent MFIP recipients married during the three-year follow-up period)
- the percentage of families with continuous health coverage over a 3 year period increased by 12.6 percent

Although MFIP's financial incentives slightly increased the percentage of families receiving welfare, more MFIP families combined welfare and work and fewer families relied solely on welfare to make ends meet.

Among urban recipients who had a child age 2 to 9 when they entered the study, there was an 18 percent decrease in domestic violence and a 25 percent increase in the use of formal child care. These recipients also reported decreased levels of problem behavior by their children and a 42 percent decrease in below-average performance in school.

Although the percentage of two-parent families with at least one parent employed did not increase, MFIP's more generous benefit resulted in a 15 percent increase in the percentage of two-parent recipient families with incomes above poverty. Increases in family well-being were especially dramatic for two-parent families with a 38 percent increase in the percentage of families who were married after three years and a 103 percent increase in the rate of home ownership.

The design of the MFIP evaluation allowed MDRC to determine which program features were most significant in producing these positive impacts. MDRC found that MFIP's financial incentives were primarily responsible for the program's anti-poverty effects and the positive effects on family well-being. The work requirement caused most of the increases in full-time work and earnings, even though MFIP's work requirement and sanction policies were relatively modest compared to most current state welfare-to-work programs with a "work-first" emphasis.

Like MFIP, SSP increased employment and earnings and decreased poverty rates. Average earnings increased by 30 percent over a 36-month period. Because only a third of participants ever received an earnings supplement, the increase in earnings was much higher, perhaps as great as 90 percent higher on average, for participants who actually received the earnings supplement. The percentage of families above Canada's version of the poverty line increased by 68 percent. SSP generally did not have the same significant impacts on child and family well-being as MFIP.

**Implications for the Future**. These are significant findings that underline the importance of strong work incentives and work supports both in moving families to work and also in strengthening families. States considering modifications to their TANF programs should consider the key elements of the MFIP model, particularly the generous earned income disregard, the assurance of seamless receipt of ongoing work supports, especially food stamps, Medicaid, and child care, and a measured approach to requiring compliance with work requirements. The results of the SSP demonstration provide additional support for the importance of financial incentives in helping families sustain full-time employment and leave poverty.

Many states have already adopted variants (albeit typically less generous variants) of the work incentives and work supports that were part of the MFIP model. Even in those states that have adopted work incentives and supports, the MFIP findings have significant implications for the future. Many welfare programs now emphasize diversion and other activities that push families to either leave welfare quickly or never apply. For instance, almost half of the states require participants to engage in job search activities either while their application is pending or before they apply. These efforts are likely to dilute the otherwise positive effects that financial incentives may have for families.

The finding that MFIP's financial incentives were responsible for the program's positive effects on poverty, family well-being, and marriage rates are especially relevant to current debates about state TANF time limit policies. The ongoing supplemental assistance that MFIP provided to working families was not time-limited. Time limits on ongoing assistance for working families may dampen the positive effect such assistance could have on family well-being. There are several approaches, including "stopping the clock" for working families or providing worker stipends outside of the TANF cash assistance program, that states could take to ensure that time limit policies do not undermine the positive effects of work incentives.

*The above article was submitted to CU by Shawn Fremstad of the Center on Budget and Policy Priorities.*

- A summary of MDRC's MFIP findings is available at <http://www.mdrc.org>. The executive summary for a previous MDRC report on MFIP that includes 18-month impact results is available on MDRC's website at http://www.mdrc.org/WelfareReform/MFIP.htm. Executive summaries of earlier reports on SSP are available at http://www.mdrc.org/WelfareReform/SSP.htm.

## CHILD CARE

### New Data on Child Care Development Fund

The Child Care Bureau of HHS's Administration for Children and Families recently released much-awaited data on the Child Care and Development Fund (CCDF) for FY 1998, including aggregated national and individual state-level numbers. Since enactment of the 1996 welfare law, federal and state expenditures for child care have grown substantially. In fact, 1.5 million children received CCDF assistance in an average month in 1998, as compared to an estimated 1 million children per month under the comparable programs in 1996. The new data provides some additional information about the types of child care being provided and information about the ages of children receiving CCDF assistance. For example:

**In FY 1998, the majority (55%) of children served by CCDF funding were in center slots, followed by family and group homes (34%) and the child's home (11%).** However, there is significant state-level variation. As an example, 84.8% of Florida children served under CCDF were in center care, with 14.2% in family home care and 1.0% in the child's home. By comparison, only 27.2% of Minnesota children were served in center care, with 66.0% in family home care and 6.8% in the child's home. All told, fourteen states reported that more than 70% of children served under CCDF were receiving center-based care. By contrast, ten states reported that more than 60% of children receiving CCDF aid were in family or group home care.

**In FY 1998, 72% of children receiving CCDF services were served in legally regulated care settings, leaving 28% of children served in legally non-regulated settings.** Again, there exists significant state-level variation in the proportion of care settings subject to regulation. For instance, 100% of children served under the CCDF in Arkansas, Nebraska, Ohio, Oklahoma, and Wisconsin were in regulated settings, but only 39% of CCDF children in Michigan, 38% in Oregon, and 41% in Illinois, were subject to state-level regulation. In twenty-four states, more than 75% of children served under the CCDF were in regulated care settings. However, in seven states, more than 50% of children receiving CCDF aid were in legally unregulated care settings.

**In legally unregulated child care settings, care was provided by a near equal share of relatives (53%) and non-relatives (47%).** However, in nine states, more than 75% of children served in legally unregulated settings were cared for by relatives. At the other end of the spectrum, in another seven states, more than 75% of children in unregulated settings were cared for by non-relatives.

**In FY 1998, vouchers and certificates were the dominant method of payment for CCDF subsidies, accounting for 84% of all children served at the national level.** Twenty-two states relied exclusively on certificates or vouchers as a provider payment mechanism. Utah and Hawaii relied exclusively on cash to parents as payment method (compared to a 7% national average). California, District of Columbia, and Florida utilized grants and contracts for 58%, 60%, and 73% of children served (compared to a 10% national average).

**A majority (73%) of children served under CCDF were placed in child care because of parent or guardian employment.** Twelve percent were in child care because of training/education, with another 6% because of a combination of employment and training/education. Two percent of children were in protective services, and another 7% were in child care for "other" reasons.

**Two-thirds (64.5%) of children receiving CCDF subsidies are six years of age or under. More than one-third (40.4%) are preschool aged, i.e. 4 and under.** The breakdown is as follows: 5.7% of CCDF children are 0-1 years of age; 9.8% are 1-2 years; 11.7% are 2-3 years; 13.2% are 3-4 years; 12.9% are 4-5 years; 11.2% are 5-6 years; and 35% are 6-12 years.

It is important to note that the 1998 data suffer from a few shortcomings and are thus limited in application. For instance, child care trends over time are not easy to pinpoint because the CCDF numbers for FY 1998 do not match up well with data from the IV-A child care programs and data reported under the Child Care and Development Block Grant before the consolidation of programs in 1996. Thus, it is difficult to compare these numbers with data reporting prior to enactment of the 1996 law. In addition, since the data are only being reported in the aggregate, it is not yet possible to examine, for example, how child care arrangements look for TANF and non-TANF recipients, and how child care arrangements differ for children of different ages. Nor is there yet information about the cost of care or amounts states pay for care for families in CCDF-funded assistance. Another limitation is the fact that the data refer only to those families who are actually receiving CCDF support. This fact is significant given a recent HHS finding that only 15%of children potentially eligible under current state rules, and only 10% of children potentially eligible under federal law, are actually receiving support under the CCDF program.

- See "Access to Child Care for Low-Income Working Families," http://www.acf.dhhs.gov/programs/ccb/reports/ccreport.htm.

As a result, the data should not be used as representative of child care utilization among the working poor more generally. For example, the Urban Institute recently reported findings that for all employed mothers with children under age 5, one-third (32%) were making use of center-based care as their primary arrangement, while for those with incomes below 200% of poverty, 26% were using center-based care. The state-reported HHS data suggest that there seems to be a higher usage of center-based care among CCDF families than non-CCDF families, although it is impossible to directly compare these findings, since the CCDF results are for all children receiving CCDF assistance, not just children under age 5.

- See "Child Care Arrangements for Children Under Five: Variation Across States," http://newfederalism.urban.org/html/series_b/b7.html.

The extensive use of center-based care by CCDF children may also be different than child care arrangements used by welfare leavers who do not receive CCDF subsidies. CLASP's review of state studies of child care for working families that have left welfare found that the majority of working welfare leavers were not receiving child care subsidies. The review also reported that among those states with information, the most common child care arrangements for families leaving welfare involved use of friends and family.

- See "Child Care After Leaving Welfare: Early Evidence from State Studies," http://www.clasp.org/pubs/childcare/Child%20Care%20after%20Leaving%20Welfare.htm.

While the CCDF-reported data helps to add to the national and state pictures of child care subsidy assistance, there are still key questions that await the release of additional data in the coming months.

- See "Child Care and Development Fund: FFY 1998 Tables and Charts," http://www.acf.dhhs.gov/programs/ccb/data/charts/cover.htm.

## Military Child Care System Does an "About Face"

The success of the military's effort to improve the delivery and quality of child care on military bases has implications for national civilian child care policy, according to a report by the National Women's Law Center. The report "Be All That We Can Be: Lessons from the Military For Improving Our Nation's Child Care System" was released in April 2000.

In the 1980's, chronic problems with military child care received attention from Congress, the U.S. General Accounting Office, and the press, resulting in the passage of the Military Child Care Act of 1989. Since then, changes in available resources, regulation, and oversight have led to positive changes in the quality, affordability, and availability of child care for military personnel. The NWLC report highlights a few key measures taken by the military, including:

- **Establishing and strictly enforcing comprehensive uniform health and safety standards**. At least four unannounced inspections are required each year, and programs are sanctioned for violation.
- **Encouraging and assisting child care programs to work toward National Association for the Education of Young Children (NAEYC) accreditation.** In this process, centers assess and improve the curriculum, environment, and developmentally appropriate nature of their classrooms. Today, 95% of military child care centers are accredited, compared to 8% in the country.
- **Establishing an infrastructure of required training, while linking increased staff compensation to achieving training milestones.** The Department of Defense requires child caregivers to complete training prior to working with children, as well as ongoing training. RAND analysts found that these measures and the linked improvements in wages resulted in increased professionalism and lower turnover among child care staff.
- **Applying a uniform and universal schedule of affordable parental fees for child care.** No parent pays more than 12% of their family income toward the cost of child care. RAND researchers found that the average fees paid for military child care were almost 25% less than the average civilian fees for comparable care in 1993.
- **Regularly assessing unmet need and investing Department of Defense funds in construction and expansion of child care facilities.** The number of slots for child care has almost tripled since 1985, yet the military estimates it is still meeting only 58% of its estimated child care need.
- **Adding resources for military child care.** Funding has grown from $89.9 million in 1989 to $352 million in FY2000.

The authors of the NWLC report suggest that similar measures and increased resources could combat many of the challenges currently present in civilian child care, such as uneven child care quality, high turnover in child care staff, and difficulty in finding and affording appropriate child care. While there are certainly a different set of circumstances and constraints working in the military, the lessons of the military experience can still provide potentially valuable lessons for policymakers engaged in efforts to expand the availability, quality and affordability of civilian child care.

➢ "Be All That We Can Be: Lessons from the Military For Improving Our Nation's Child Care System" is available online at http://www.nwlc.org/military.pdf.

**STATE POLICY DOCUMENTATION PROJECT**

**Sanctions under TANF**

The State Policy Documentation Project (SPDP), a joint project of CLASP and the Center on Budget and Policy Priorities, tracks TANF policy decisions in the 50 states and DC. The project collects information on state policy, not practice. SPDP information on sanctions reflects policies in effect in most states as of the end of 1999; information for several states is from this year.

Under the federal welfare law, states are required to repeated sanction recipients who refuse to comply without good cause with the state's TANF work requirements. States have considerable flexibility to determine the details of their sanction policies. Sanctions must reduce a recipient's cash assistance grant at a minimum, but they can also terminate assistance to the entire family. States can also determine the length of time the sanction will last. In most states, sanction amounts and duration escalate over time, or after noncompliance. This article provides details about states' sanction policies using results from SPDP. States impose sanctions for a range of reasons; described below are policies concerning sanctions for noncompliance with work activities.

**Sanction Penalties: Partial Sanctions.** Partial sanctions result in a grant reduction (rather than termination) by a percentage of the total grant or a flat amount. Thirty-seven states impose partial sanctions for initial instances of noncompliance for some or all groups of families. In 16 of these states, partial sanctions are imposed for any instance of noncompliance. In 19 states, a partial sanction is imposed initially, but after further noncompliance the sanction increases and the entire family is terminated from assistance. [In a few states, certain subgroups of recipients receive partial sanctions for noncompliance, while other subgroups receive full-family sanctions. Therefore, the number of states in this article is larger than the total number of states.] In 16 of these states, partial sanctions are imposed for any instance of noncompliance. In the remaining 21 states, a partial sanction is imposed initially, but after further noncompliance the sanction increases and the entire family is terminated from assistance.

The amount that the sanction reduces the grant varies from state to state. In 17 of the 37 states that impose partial sanctions at some point, the adult portion of the grant is removed and reduced benefits continue for the children for the duration of the sanction. In another 17 states, the grant is reduced by a percentage, usually 25 to 50 percent. The amount of the reduction generally increases over time or with further instances of noncompliance. Two states reduce the grant by a flat amount of $50 or $100, and one state has a "pay-for-performance" system in which the grant is reduced by an hourly rate for each hour of the work activity missed.

**Sanction Penalties: Full-Family Sanctions.** A full-family sanction terminates cash assistance to the entire family. Thirty-six states impose full-family sanctions at some point during the sanction process. In about half of these states (18) full-family sanctions are imposed immediately for any instance of noncompliance for some or all groups of families. The remaining states have initial partial sanctions, which can escalate to full-family sanctions either as a result of continued noncompliance, or for further instances of noncompliance. In all but two of these states, a full-family sanction can be imposed on families that do not comply for a continued period after the first instance of noncompliance. Generally, the duration of noncompliance that triggers escalation to a full-family sanction can be between one and six months.

**Duration.** The length of time that a sanction lasts varies widely between states. In nine states, sanctions are always lifted once the individual complies with a work activity. In 39 states, sanctions are imposed for a set time period, which can go beyond the time the individual complies. The set time period in these states usually ranges from one to six months, although four states impose 12-month sanctions and one state has a 36-month sanction. In seven states, assistance can be terminated permanently for noncompliance.

In most states, sanction duration increases after each instance of noncompliance or with continued noncompliance. 18 states impose sanctions until compliance for a first instance of noncompliance, but lengthen the duration beyond compliance for subsequent sanctions. In the seven states with permanent termination, the permanent sanction usually occurs after a third instance of noncompliance. However, in two states, a family can be permanently terminated from assistance after one instance of noncompliance if they do not come into compliance within three or four months after the first instance.

Opposition to full-family sanctions:

"We cannot fathom how sanctioning children promotes the goals of welfare reform. We need only look to Michigan's experiences to realize that full-family sanctions harm families. Michigan has implemented full-family sanctions and discovered that nearly one-third of sanctioned families had difficulty affording enough food for their children. We urge you to eliminate full-family sanctions or at least reduce their impact on Pennsylvania's children."

April 20, 2000 letter to Governor Tom Ridge (R-PA) from Auditor General Robert P. Casey Jr., Senate Minority Leader Robert J. Mellow, and State Rep, Phyllis Mundy

**Curing Sanctions.** In order for a sanction to be lifted and full benefits to be restored, most states require recipients to demonstrate compliance by taking certain actions which "cure" the sanction. Usually recipients are required to participate in the activity that they did not comply with prior to the sanction, or to renegotiate their individual plan and participate in a new activity. Most states (25) require recipients to participate in the activity for a specific length of time in order to demonstrate compliance. This length varies from three days to one month, but is frequently two weeks. In 12 states, compliance can be demonstrated by simply beginning to participate in the activity and in 11 states, indicating a willingness to comply is sufficient to cure the sanction. In three states, counties or local district offices can determine what is required to cure a sanction.

In some states demonstrating compliance becomes more difficult for subsequent sanctions after the first. Usually, the length of time the individual is required to comply in order to cure the sanction increases. In some states, the family's case is formally closed when a sanction is imposed, and the family must reapply in order to receive benefits again after the sanction. In the states with permanent termination, no cure is possible.

**Good Cause for Noncompliance.** In almost every state, sanction policies contain a list of "good cause" reasons for noncompliance. If families cannot comply with program rules because they have good cause, they can usually avoid imposition of a sanction. The federal law prohibits states from sanctioning recipients who do not comply because they cannot find child care for their young children (under age six). Beyond this requirement, states can define what constitutes good cause for noncompliance. Most states have a set of other good cause reasons which may allow an individual to avoid a sanction if they are unable to comply as a result of one of those reasons. Aside from the child care protection, the most common good cause reason is when the individual has a temporary disability or illness (38 states). Other common good cause reasons include caring for an ill/disabled household member (37 states), family emergencies (37 states), lack of available transportation (36 states), and when the individual is incapacitated or disabled (32 states). In at least one state, each county determines its own rules concerning what constitutes good cause.

**Conciliation.** Under AFDC, all states were required to implement conciliation procedures through which individuals could resolve disputes relating to participation in the JOBS program. After a conciliation period during which the individual could contest the noncompliance claim, a notice of adverse action could be sent indicating the individual did not comply and would soon be sanctioned. With the implementation of TANF, at least 18 states eliminated the conciliation process they had under AFDC. Most of these states replaced their conciliation procedures with a different process to resolve sanction disputes, usually one that offers less procedural protections than the formal conciliation process. Some states that kept conciliation under TANF limited it to certain types of noncompliance or to a first instance of noncompliance only. Only three states do not have any type of process to resolve sanction disputes before they are imposed.

*The above article was submitted to CU by Heidi Goldberg of the Center on Budget and Policy Priorities.*

- More information about state policies from the project can be found at the SPDP website: http://www.spdp.org. 50-state charts relating to the information provided in this article will soon be available on the website.

## CHILD SUPPORT: Bills Moving Through House

The Subcommittee on Human Resources of the House Committee on Ways and Means has recently held hearings on two child support bills. On March 16, the Subcommittee heard testimony on H.R. 2189, a bill co-sponsored by Representatives Hyde (R.-Ill.) and Woolsey (D-Calif.) which would move responsibility for enforcement of child support orders to the Internal Revenue Service (IRS). Testifying in favor of the bill were Geraldine Jensen, National President of the Association of Children for Enforcement of Support (ACES) and Art Alexakis, the lead singer of the rock group *Everclear*.

On May 18, the Subcommittee took testimony on two other bills: H.R. 4469 which is sponsored by Subcommittee Chair Johnson (R-Conn.) and HR 3824, which is sponsored by Ranking Minority Member Cardin (D-Md.). The Cardin bill contains a proposal to pass-through child support to TANF families, encourage states to disregard the passed-through support, and simplify post-TANF distribution so that families get more of the child support collected on their behalf. The concepts embodied in this bill have broad support among advocates and state child support officials. Many encouraged an even more proactive approach to increasing the amount of child support that reaches families.

The Johnson bill simplifies post-TANF distribution (getting more money to these families) and establishes a fatherhood program similar to that contained in the Fathers Count bill (H.R. 3073 passed by the full House in November 1999). The Johnson bill also contains a very controversial section that would give private collection agencies access to the data and enforcement remedies that are now available only to child support agencies funded by Title IVD of the Social Security Act. Organizations concerned about privacy issues as well as those concerned about the potential harassment of low income debtors by unregulated private collection entities have joined with child support advocates in raising concerns about these sections of the bill.

- More information on these bills, as well as CLASP testimony, can be found at the CLASP website: http://www.clasp.org.

## REPRODUCTIVE HEALTH NEWS

### MAKING THE LINK: YouthBuild Integrates Pregnancy Prevention with Job Training

> "MAKING THE LINK" is a series of periodic reports from CLASP about efforts to integrate reproductive health information and services with other social service systems.

Avoiding unplanned pregnancy and training for a better future are integrally related at the Columbia Heights YouthBuild, a five-year-old program run by the Latin American Youth Center in the Mt. Pleasant neighborhood of Washington D.C. The Columbia Heights program, which is part of a national network of Youthbuild programs, is a nine-month paid leadership development and training program with a goal of preparing participants for meaningful careers and a sense of well being in their communities. The program provides training in construction skills, as well as academic and leadership training, to 40 participants per year. Participants range in age from 16 to 27, and about half are female.

While all YouthBuild programs share the same basic goals and services, local programs are free to develop special components to meet their own clients' needs. An issue that became apparent to Columbia Heights YouthBuild staff in the last program year was unplanned pregnancy among participants. When several trainees dropped out of the 1998-1999 session because they became pregnant, the staff began to confer about what they could do to help their clients defer childbearing until they had completed the program. Columbia Heights YouthBuild already had a health class that touched on family planning and distributed condoms on site. But these efforts did not seem to be enough. Staff were also concerned about participants' lack of coverage for basic preventive health services such as Pap tests and eye exams. As a result, the staff decided that the program needed a relationship with a health care provider.

Mayra Figueroa, Columbia Heights YouthBuild's case manager/counselor, approached Mary's

Center, a clinic that is down the street from the Youthbuild program. She worked out a memorandum of agreement with the clinic to ensure needed services to her clients at consistent and reasonable fees. In the agreement, Mary's Center agreed to provide a list of services for specified costs. YouthBuild agreed to provide Mary's Center with participant information ahead of time, ensure that participants comply with their initial appointment, and provide a case manager for any referrals that are made after the initial visit.

With the help of Mary's Center, Columbia Heights YouthBuild now has a comprehensive pregnancy prevention strategy, which includes the following components:

- In her counseling sessions with clients, Ms. Figueroa discusses the value of planning childbearing to fit in with career goals. She discusses specific birth control methods and emphasizes the convenience of a method such as Depo-Provera (an injectable contraceptive that is effective for three months), compared to methods like pills or condoms, which must be remembered daily or at each instance of intercourse.
- Because of the strenuous nature of construction work, YouthBuild trainees are required to get a physical, which happens at Mary's Center. The physical, which is paid for by Youthbuild, includes a birth control method, such as a Depo-Provera shot. Trainees must pay for future shots, which cost $12.50 according to the memorandum of agreement. While they are waiting for their physicals at Mary's Center, clients get instruction in condom use from teen peer leaders and watch a video about childbirth and AIDS. To ensure that clients keep future health appointments, the clinic calls Ms. Figueroa so that she can remind her clients of upcoming health appointments.
- A health class, which is required for YouthBuild participants and taught by a nurse under contract with LAYC, covers birth control as part of the curriculum.
- All participants take part in male or female-only support groups, each of which devotes time to gender and sexual relations.

According to Ms. Figueroa, most of the teens were not using contraception regularly before entering the program. The current class, which was the first one to benefit from the Mary's Center agreement, is about to graduate, and just one trainee has become pregnant. While most participants enter the program as parents, postponing the birth of a second or third child can be a key factor in enabling them to achieve their dreams.

"Having a bowl of condoms available at the program site is simply not enough," says Mayra Figueroa, "Trainees need medical services, information and support from program staff to encourage them to delay pregnancy and parenthood until they are well on the way to reaching their career goals." The next challenge, according to Ms. Figueroa, is to reach the young men and help them understand their role in preventing unplanned pregnancies.

YouthBuild is not the only youth employment program that has seen the link between its work and the goal of pregnancy prevention. CLASP is surveying youth employment programs that belong to YouthBuild and other national networks, and is finding other examples of programs that link employment services with information, education, and health services to help participants prevent unplanned pregnancy and parenthood. CLASP's findings will be published in a report in late 2000 or early 2001.

- For more information about what programs are doing in this area, contact Marie Cohen at CLASP, 202-328-5109, mcohen@clasp.org.

## Abstinence-Only Education

**Increased Funding Imminent.** In 1996, a new federal abstinence-only program which, among other components "teaches that abstinence from sexual activity is the only certain way to avoid out-of-wedlock pregnancy, sexually transmitted diseases, and other associated health problems" was funded through a $50 million add-on to the Maternal and Child Health block grant [coupled with required state match, the program makes available nearly $440 million over 5 years]. As part of Appropriations deliberations in 1999, Representative Ernest Istook (R-OK) succeeded in adding another $20 million to the abstinence-only education movement by expanding funding for the Adolescent Family Life Act (AFLA was created in 1981 to promote "chastity" and to provide services for teen parents). Most of the $20 million was delayed spending and not available until FY 2001. The White House moved to rescind the delayed funds and its FY2001 budget does not include these monies.

Istook, as a member of the Appropriations Committee, responded in 2000 by seeking to move the money away from AFLA and into the Maternal and Child Health agency; in addition to wresting the $20 million from AFLA he sought an additional $30 million for abstinence-only education.

On June 8, the House approved the Labor-HHS appropriations bill. The final version provides the total amount Istook sought for abstinence-only education: over two years $50 million is earmarked: $20 million in FY 2001, an additional $30 million would be available in FY 2002. The legislation calls for the monies to be distributed through competitive grants under a part of the MCH program called "SPRANS": Special Projects of Regional and National Significance. In contrast to the MCH abstinence education funds, which are distributed to states according to a formula, SPRANS grants are awarded by a review committee that selects between proposals.

In the Senate, the Labor –HHS appropriations bill provides for roughly $20 million in FY 2001 [this amount includes $9 million for AFLA] but is silent on subsequent funds for FY2002. The timing of the House-Senate conference is unclear although it is not likely to be completed before July. Further, news reports indicate the Administration may well veto the Appropriations bill because of other issues.

Cynthia Dailard of the Alan Guttmacher Institute (AGI) notes that the likely increase in abstinence-only funding [will] "probably propel more school districts to pursue abstinence-only education. An AGI study found that already 35% of school districts take this approach. More money will trigger more programs. Ironically, we found abstinence-only education concentrated in southern states – the region with the highest rates of teen pregnancy and sexually transmitted diseases."

- For more information, contact Cynthia Dailard at AGI, cdailard@agi-usa.org.

**Evaluation Push-Back Anticipated.** The abstinence-only education funding enacted as part of the 1996 welfare law did not include evaluation of the supported programs; in 1997, however, legislation passed that provided $50 million for an evaluation with a report due by August 2001. Legislation is now pending that could push back the final report to 2005.

HHS awarded the evaluation contract to Mathematica Policy Inc., in 1998. The study director is Rebecca Maynard. The study will assess two types of programs funded through the federal abstinence-only program: those targeted at specific youth groups and those that are community-wide. According to Maynard, "the 2005 deadline allows us to follow the kids into the years when they are at the greatest risk of non-marital sexual activity. Many of these kids are very young when they come into these programs."

The abstinence-only evaluation provision is tucked into a pending child support bill, H.R. 4469 (See earlier article in this issue of CU). The provision calls for an interim report to be issued no later than January 1, 2002.

## YOUTH

### States Revisit Learnfare Requirements

Under the 1996 welfare law, minor, custodial parents are required to participate in school/training activities in order to receive TANF assistance. This requirement on minor parents is often called "Learnfare." Some states have gone beyond the federal mandate and impose school attendance requirements on other TANF students such as non-parenting high schoolers or elementary and middle school students. Recently, at least two states have eliminated their "learnfare" expansion.

In **Florida**, the state legislature recently passed Senate Bill 2050, which eliminated the learnfare requirements imposed on some TANF students. Under previous state law, all married and single teen parents under the age of 19 were required to participate in school/training activities. Furthermore, all non-parenting TANF students were subject to compliance with school attendance requirements, including elementary, middle, and high school equivalent students.

The new provision, approved May 30, 2000 exempts children under age 16 from work activities, and thus "learnfare" requirements.

In **New York,** a special school attendance requirement for TANF recipients in elementary school was not reauthorized in the legislature. The elementary school requirement led to a cut in the family's grant if a child had 5 or more unexcused absences in a quarter (3 or more absences in a quarter triggered a referral for counseling); further, the entire family lost its grant if, at the outset, the adult failed to sign a form which waived a right to privacy established under the federal educational privacy act.

The New York law was due to expire and a bill had been introduced to extend it until 2005. Opponents of the program had identified a number of reasons it should be allowed to expire, including research recently reported by Abt Associates, "Do Welfare Recipients' Children Have a School Attendance Problem?," which found that to the extent low income children have higher rates of absenteeism much of the cause is health related (see February 2000 **CU**). Opponents of the program also cited the concerns of school superintendents including that funds spent on learnfare would be better spent elsewhere and that students subject to the rule did not have particular problems with attendance; in addition, a director of county social services had expressed concern that imposition of sanctions could contribute to child abuse.

The law expires on July 1, 2000.

- To view the Florida legislation, see http://www.leg.state.fl.us and refer to Senate Bill 2050.
- For more information on developments in New York contact Susan Antos, Greater Upstate Law Project, 518-462-6831.
- To learn whether your state and others have an "expanded" learnfare requirement, visit the State Policy Documentation Project web site at http://www.SPDP.org. SPDP is a joint project of CLASP and the Center on Budget and Policy Priorities.
- CLASP is interested in learning if there are similar TANF youth education/training provision changes under consideration or enacted in your state. Please contact Jodie Levin-Epstein at CLASP with any relevant updates, Jodie@CLASP.org.

## Overall Decline in Teen Risk-Taking

On June 6, the Urban Institute released a study analyzing teen risk-taking behaviors between 1991 and 1997, " Teen Risk-Taking: A Statistical Portrait." The study provides a statistical portrait of incidence and patterns of teen involvement in ten risk-taking behaviors: regular alcohol use, tobacco use, marijuana use, other illegal drug use, weapon carrying, suicide attempts, regular binge drinking, fighting, suicidal thoughts, and risky sexual activity.

Among the main findings of the study were that overall risk-taking among high school students fell during the 1990's. Specifically, the number of teens who did not participate in *any* of ten risk-taking behaviors increased by 5 percent, from 20 to 25 percent. In addition, there was a decrease, 4 percent, in the percentage of teens that engaged in more than one of the risk behaviors. In her presentation, the author of the study, Laura Duberstein Lindberg, emphasized the implications of the finding that most risks are taken by "multiple risk" students - those involved in five or more health risk behaviors. And, while there was a drop in the number of students engaging in two to four of the risk behaviors, the number of teens in the high-risk group remained constant. Throughout the study, 16 percent of all students participating in the study engaged in five or more of the risk behaviors.

Discussion of the study also emphasized demographic differences in the declines in risk-taking. While the declines were similar by gender and grade, the percentage of Hispanic students engaging in risk-taking behaviors increased. Specifically, the share of Hispanic students engaging in five or more risk behaviors increased from 13 percent in 1991 to 19 percent in 1997, signaling an area of concern and the need for further attention.

Lindberg also emphasized that the study reveals untapped opportunities for intervention with teens. Overall, the majority of students engaged in "positive behaviors" and teen risk-taking did not preclude positive behaviors (e.g., school activities, good grades, school sports, religious activity, and family involvement.) Therefore, there are a variety of settings where teens come in contact with adults who can positively influence their behaviors in the hope of promoting further declines in risk-taking behavior.

- "Teen Risk-Taking: A Statistical Portrait" by Laura Duberstein Lindberg, Scott Boggess, Laura Porter, and Sean Williams is available online at http://www.urban.org/family/TeenRiskTaking.pdf.

## STATE UPDATE

### Minnesota: Budget Includes New TANF Spending

On May 15, Minnesota Governor Jesse Ventura signed into law a supplemental budget that includes $222 million in TANF funding for a three-year period, of which all but $6.5 million will be used to help low-income families make the transition to work and out of poverty. Several programs were established or expanded, some restrictive proposals were fought off with the help of advocates, and supplantation of state spending was reduced over the previous budget. Included in the final legislation are the following provisions:

- **Services to Hard-to-Employ.** $53 million was appropriated for grants to counties to serve hard-to-employ TANF recipients and those in need of job retention and wage advancement services.
- **Home visiting.** $21 million will be transferred to the Commissioner of Health for home visiting to families with incomes at or below 200% of the federal poverty level.
- **Services for Southeast Asians.** $500,000 was appropriated to implement an intensive transitional employment and training project for TANF-eligible immigrants and refugees from Southeast Asia.
- **Nontraditional training for women.** $500,000 was appropriated for training and career assistance programs that encourage low-income mothers to enter careers in the trades, manual and technical occupations.
- **Affordable housing.** $30 million was appropriated to develop affordable rental housing units, to be used by TANF recipients or those who have worked their way off TANF or lost their eligibility due to child support income, as well as $20 million for a revolving loan fund to be used for home ownership among low-income families.
- **Supportive housing.** $3 million was appropriated for a pilot project to provide supportive housing with integrated intensive case management, employment, health care and other services to homeless, mentally ill or drug dependent people who are TANF eligible or low-income noncustodial parents.
- **Out-of-wedlock pregnancy prevention.** $3 million was appropriated for a statewide grant program to prevent out-of-wedlock pregnancies among homeless, runaway or "thrown-away" youth who are engaged in, or at risk of, prostitution.
- **Tuition waivers.** $250,000 was appropriated to pay tuition for TANF eligible participants in a health care and human services worker training program.
- **Working Family Credit.** $29.75 million was appropriated to increase the state tax credit for low-income families. Families will receive an increase of 10 to 15% on average.

- **Child care.** $25 million in new funding was appropriated for child care for low income working families, families transitioning off TANF, and families on TANF.
- **Supplantation.** $6.5 million was appropriated for “contingency revenue” to replace state funds for programs with budget shortfalls. These TANF funds will replace previous state funds. This is an improvement over the last legislative session, in which, lawmakers voted to supplant $100 million of state funding with federal TANF funds.
- **Assistance to immigrants.** The legislature voted to put off for one year the end of benefits to legal immigrants on TANF, appropriating $2 million in TANF funds to pay the cost of this delay.
- **Child support pass-through.** $2.7 million was appropriated to fund a new policy that “passes through” child support payments by noncustodial parents directly to custodial parents on TANF. Unfortunately, none of this money will be disregarded in determining TANF benefits for the custodial parent, thus leaving them no better off. The Governor had proposed, and the Senate had ratified, a 50% disregard, but this was not adopted by the House or the conference committee.

The conference committee rejected House language increasing maximum sanctions from 30% of benefits to 100% and limiting allowable work activities after the first three months of employment services. Instead, the conference committee agreed to authorize five counties to test alternative approaches to improve compliance with TANF work requirements and adopted some provisions to restrict ESL as an approved activity to those below a certain spoken proficiency level and to 24 months, among other restrictions.

➢ For more information, contact Jason Walsh, Affirmative Options Coalition, 651-642-1904 ext. 29, jwalsh@mncn.org. This article was adapted from the Affirmative Options Coalition, Year 2000 Legislative Summary, May 16, 2000.

### Florida: Complaint Filed Against Language Discrimination in Work Program

In early May, the Florida Immigrant Coalition and Florida Legal Services filed a national origin discrimination complaint against Florida's WAGES Program with the federal Department of Health and Human Services Office of Civil Rights (OCR). The administrative complaint was filed on behalf of all limited English proficient (LEP) applicants and participants in Florida's WAGES program. It alleges that the WAGES program discriminates against LEP persons through the WAGES State Board and local WAGES Coalitions because it fails to provide LEP persons with translated services and information. Now that the complaint is filed, HHS Office of Civil Rights (Atlanta Regional Office) has assigned an investigator. It is hoped that HHS will assume jurisdiction of this case, investigate these allegations, and issue findings.

WAGES is the "work first" component of Florida's welfare program. While the Department of Children and Families (DCF) determines initial eligibility for cash assistance, food stamps, and Medicaid, WAGES, in contrast, is in charge of job referral, work activity assignment, job placement, and the provision of support services for work such as child care and transportation. This OCR Complaint was filed against WAGES, not DCF.

Several New York groups filed a similar complaint and achieved great success. In that case, OCR found it had jurisdiction, investigated, and issued findings whereupon the offending N.Y. TANF offices entered into a corrective action plan which included providing translators for clients and translating written program materials among many other concessions.

While this type of problem will not go away anytime in the near future, specific examples of harm to individual clients in Florida are extremely important information to the OCR contact assigned to the case. Although the WAGES program will be changing due to recent passage of the Workforce Innovation Act and creation of Workforce Florida, Inc. by the Legislature, the Florida Immigrant Coalition and Florida Legal Services are hopeful that the complaint will bring much-needed attention to the problem by OCR. Declarations from clients who continue to be deprived of access, information, or services will demonstrate to OCR that despite recent legislative changes to the WAGES program, LEP clients continue to be hurt.

“We have already heard from a Spanish-speaking mother of four in St. Petersburg, Florida who was sanctioned by WAGES because she failed to understand instructions that were given to her only in English. Not only was her cash assistance suspended but she also lost food stamps for three months. That is simply fundamentally unjust," states Valory Greenfield, a Florida Legal Services staff attorney who helped draft the complaint.

*The above was submitted to CU by Valory Greenfield of Florida Legal Services, Inc.*

- For more information, contact Valory Greenfield, 305-573-0092, valory@floridalegal.org; Cindy Huddleston, 850-385-5876 ext. 14, cindy@floridalegal.org, at Florida Legal Services, Inc.; or Tom Zamorano at the Florida Immigrant Coalition, 305-573-1106 ext. 1430, tzamorano@fiacfla.org.

# CLASP*Update*

**A CLASP Report on Welfare Developments**

**Jodie Levin-Epstein, Editor**

**July 2000**

## ECONOMIC BOOM: Working Poor Left Behind Reports Conference Board

INSIDE…



Contributors: Megan Annitto, Tekisha Everette, Alan Houseman, Martha Nguyen, Theodora Ooms, Steve Savner, Julie Strawn, Steve Wamhoff, Kelsen Young

"The New Economy has not yielded a material decline in poverty among full-time workers" according to a new report of The Conference Board. The report, entitled "Does A Rising Tide Lift All Boats," finds that despite America's booming economy, poverty among full-time workers has increased. The Conference Board is "the world's largest business membership organization" and has a twofold purpose: "to improve the business enterprise system and to enhan/ce the contribution of business to society."

The Board's chief economist writes in the report,

> "Distributional issues are important. Standard measures of economic performance may indicate considerable prosperity, but the question remains "who benefits?" The United States has consistently exhibited wider income inequality than other countries, but the presumption is that people, as individuals, are highly mobile economically and can improve their circumstances, moving from poor to rich. It is important to assess periodically whether that assumption is true and whether there are groups within the economic society that 'get stuck' or, as suggested by this report, a poverty class that may not (indeed, most certainly does not) include the same individuals from year to year, but which is growing in number and share of the working population.
>
> Distributional issues are important also because they can influence economic opportunity and stability…"

The study reports four major findings concerning the state of the economy and the working poor. As excerpted from the report:

- Poverty has risen in both the number and share of those employed full-time and year-round since 1973. Gains of the 1960s ceased in the mid-1970s.

- Since the mid-1970s, long-term economic growth has had a little effect on poverty among full-time workers. In fact, despite the best economic growth in three decades, the poverty rate among full-time workers is higher now than it was during the last recession.

- There are great differences in the poverty experiences of full-time workers living in different regions of the country and belonging to different racial/ethnic groups…This disparity suggests that issues that seem to be related to race and ethnicity may really be the result of economic structure, as ethnic minorities fare differently in different regions.

- Ethnic minorities working full-time move in and out of poverty more often than whites. This economic volatility has many ramifications. Among them, rising out of poverty only o slip back in makes long-run saving, investment and the transfer of wealth across generations more difficult.

"Does a Rising Tide Lift All Boats?" press release is online at http://www.conference-

## NEW FROM CLASP

**The Child Care and Development Fund: An Overview** by Mark Greenberg, Joan Lombardi, and Rachel Schumacher provides an explanation of the provisions of the major federal block grant available to states to provide subsidized child care to low-income families and to improve the quality of child care in the state. Program administration, funding and allowable uses, eligible families and children, program services, data collection, and collaboration with pre-kindergarten initiatives are described. The paper was prepared in connection with the "Linkages and Collaboration Across Early Childhood Education Systems" Project being conducted by Greenberg, Lombardi, and Schumacher.

- **The Child Care and Development Fund: An Overview** is available on the CLASP website at http://www.clasp.org/pubs/childcare/overview.pdf.

**The Importance of Issues at the Intersection of Housing and Welfare Reform for Legal Services Work** by Barbara Sard, consultant to CLASP and Director of Housing at the Center on Budget and Policy Priorities, describes the interdependence of welfare and housing policies and practices. It also discusses what advocates should do to more effectively represent clients and engage in policy work at the state. An earlier version appeared in the January-February Issue of the Clearinghouse Review, published by the National Center on Poverty Law.

**The Importance of Issues at the Intersection of Housing and Welfare Reform for Legal Services Work** is available on the CLASP website at http://www.clasp.org/pubs/Other/Updated2000Jan-FebIntersectionHousingWelfare1.htm

**FINANCIAL ELIGIBILITY: State Rules Charted by CRS**

CRS recently developed a table that "shows maximum AFDC/TANF benefits for a family of three in July 1994, July 1996, July 1998 and January 2000 in nominal dollars. Additionally, it shows the real percentage change from July 1994 to January 2000 , accounting for price inflation that occurred over the period. Thirty-three jurisdictions have not changed their maximum benefit since 1994 as indicated by a 10.7% decrease in the real value of their benefit from July 1994 to January 2000. Seven jurisdictions have lowered their maximum benefit and therefore show greater than a 10.7% decrease from 1994 to 2000. Eleven jurisdictions have increased their maximum benefit but not enough to counteract inflation and therefore show a real change greater than -10.7% and less than 0%. Only eight states have increased their maximum benefit in real terms, showing a change greater than zero."

**Maximum Monthly AFDC/TANF Benefit for a Family of Three (Parent With Two Children) July 1994 through January 2000**

| State/Jurisdiction | July 94 | July 96 | July 98 | Jan 00 | % Change in real dollars, July 94 to Jan 00 |
|---|---|---|---|---|---|
| Alabama | 164 | 164 | 164 | 164 | -10.7% |
| Alaska | 923 | 923 | 923 | 923 | -10.7% |
| Arizona | 347 | 347 | 347 | 347 | -10.7% |
| Arkansas | 204 | 204 | 204 | 204 | -10.7% |
| California | 607 | 596 | 565 | 626 | - 7.9% |
| Colorado | 356 | 356 | 356 | 357 | -10.5% |
| Connecticut | 680 | 636 | 636 | 636 | -16.5% |
| Delaware | 338 | 338 | 338 | 338 | -10.7% |
| District of Columbia | 420 | 415 | 379 | 379 | -19.5% |
| Florida | 303 | 303 | 303 | 303 | -10.7% |
| Georgia | 280 | 280 | 280 | 280 | -10.7% |
| Guam | 330 | 673 | 673 | 673 | 82.0% |
| HawaiiCExempt | 712 | 712 | 712 | 712 | -10.7% |
| HawaiiCNon-Exempt | 712 | 712 | 570 | 570 | -28.5% |
| Idaho | 317 | 317 | 276 | 293 | -17.5% |
| Illinois | 377 | 377 | 377 | 377 | -10.7% |
| Indiana | 288 | 288 | 288 | 288 | -10.7% |
| Iowa | 426 | 426 | 426 | 426 | -10.7% |
| Kansas | 429 | 429 | 429 | 429 | -10.7% |
| Kentucky | 228 | 262 | 262 | 262 | - 2.6% |
| Louisiana | 190 | 190 | 190 | 190 | -10.7% |
| Maine | 418 | 418 | 439 | 461 | - 1.6% |
| Maryland | 373 | 373 | 388 | 417 | - 0.2% |
| MassachusettsCExempt | 579 | 579 | 579 | 579 | -10.7% |
| MassachusettsCNon-Exempt | 579 | 565 | 565 | 565 | -12.9% |

| State/Jurisdiction | July 94 | July 96 | July 98 | Jan 00 | % Change in real dollars, July 94 to Jan 00 |
|---|---|---|---|---|---|
| MichiganCWashtenaw County | 489 | 489 | 489 | 489 | -10.7% |
| MichiganCWayne County | 459 | 459 | 459 | 459 | -10.7% |
| Minnesota | 532 | 532 | 532 | 532 | -10.7% |
| Mississippi | 120 | 120 | 120 | 170 | 26.5% |
| Missouri | 292 | 292 | 292 | 292 | -10.7% |
| Montana | 416 | 438 | 461 | 469 | 0.6% |
| Nebraska | 364 | 364 | 364 | 364 | -10.7% |
| Nevada | 348 | 348 | 348 | 348 | -10.7% |
| New Hampshire | 550 | 550 | 550 | 575 | - 6.7% |
| New Jersey | 424 | 424 | 424 | 424 | -10.7% |
| New Mexico | 381 | 389 | 489 | 439 | - 2.8% |
| New YorkCNew York City | 577 | 577 | 577 | 577 | -10.7% |
| New YorkCSuffolk County | 703 | 703 | 703 | 703 | -10.7% |
| North Carolina | 272 | 272 | 272 | 272 | -10.7% |
| North Dakota | 431 | 431 | 440 | 457 | - 5.4% |
| Ohio | 341 | 341 | 362 | 373 | - 2.4% |
| Oklahoma | 324 | 307 | 292 | 292 | -19.6% |
| Oregon | 460 | 460 | 460 | 460 | -10.7% |
| Pennsylvania | 421 | 421 | 421 | 421 | -10.7% |
| Puerto Rico | 180 | 180 | 180 | 180 | -10.7% |
| Rhode Island | 554 | 554 | 554 | 554 | -10.7% |
| South Carolina | 200 | 200 | 201 | 204 | -10.1% |
| South Dakota | 430 | 430 | 430 | 430 | -10.7% |
| Tennessee | 185 | 185 | 185 | 185 | -10.7% |
| Texas | 188 | 188 | 188 | 201 | - 4.6% |
| Utah | 414 | 416 | 451 | 451 | - 2.8% |
| Vermont | 650 | 633 | 656 | 708 | - 2.9% |
| Virgin Islands | 240 | 240 | 240 | 240 | -10.7% |
| Virginia | 354 | 354 | 354 | 354 | -10.7% |
| Washington | 546 | 546 | 546 | 546 | -10.7% |
| West Virginia | 253 | 253 | 253 | 328 | -15.7% |
| WisconsinCCommunity Service | 517 | 517 | 673 | 673 | -16.2% |
| WisconsinCW2 Transition | 517 | 517 | 628 | 628 | - 8.4% |
| Wyoming | 360 | 360 | 340 | 340 | -15.7% |
| Median State | 381 | 415 | 421 | 421 | -10.5% |

**Source:** Table prepared by the Congressional Research Service (CRS) based on a survey of the states. ACRS Report for Congress Welfare Reform: Financial Eligibility Rules and Cash Assistance Amounts Under TANF June 14, 2000.@

**STATE POLICY DOCUMENTATION PROJECT: Entitlement to Benefits**

> The State Policy and Documentation Project (SPDP), a joint project of CLASP and the Center on Budget and Policy Priorities, tracks TANF policy decisions in the 50 states and DC. The project collects information on state policy, not practice. This article reflects policies in effect as of the end of 1998. This section addresses whether there is any general entitlement to cash assistance benefits in state statutes or policies. The question of entitlement to other benefits provided in states is not considered here.

Under former federal law (AFDC) states were required to provide assistance specified in their state plans to all families who applied and who met the eligibility criteria established under federal and state policy. Section 401(b) of the PRWORA repeals that provision, explicitly stating that Part A of the law "shall not be interpreted to entitle any individual or family to assistance under any State program funded under this part." The legal implications of this provision and its relationship to constitutionally protected rights to due process and equal protection are uncertain. What is clear is that states, by statute or constitution, are free to create an entitlement to assistance, or to establish rules for the provision of assistance in the absence of an entitlement.

States may include provisions that specify that forms of assistance will be provided to all families who meet eligibility criteria. Such a provision might be accompanied by language expressly creating an entitlement, language explicitly indicating that no entitlement is created, or might make no mention of the term "entitlement." State policy may also specify that benefits will be provided subject to appropriation or to the availability of funds for the program. Such provisions may or may not specify what will happen if and when it is determined that sufficient funds are not available.

Five states indicated that they have an explicit entitlement to cash assistance in state statute: Alaska, Hawaii, Maryland, Rhode Island and Vermont. Note that while New York does not report an explicit entitlement in state statute, the state constitution includes a provision that guarantees assistance to poor families and individuals. Seventeen states have state statutory language which explicitly states that there is no entitlement to cash assistance. Twenty-eight states have no explicit statutory language regarding entitlement. Wyoming did not provide data on this issue to SPDP.

The majority of states (33) have opted to include explicit language in their state policies (statute or regulation) stating that cash assistance benefits will be provided to all families who are eligible. Twenty-three states report having explicit language in state policy that benefit payments are subject to state appropriation or funding. Note that some states indicate both that benefits will be provided to all eligible families and also indicate that benefit payment is subject to appropriation/funding. In those states, it is unclear how the two provisions are intended to be read together.

In the next issue of CLASP Update, separate state programs and segregated state funds within TANF will be described.

For 50-state comparison tables on entitlement to cash assistance benefits and more detailed descriptions of each state's policies, visit the SPDP website at http://www.spdp.org. Updated Findings and 50-state reports on state time limit policies are also available on the SPDP website. Still to come over the next months are data on state work activities and requirements, sanction provisions, child care, and child support policies.

## TRANSPORTATION: New Guidance Issued

The Departments of Health and Human Services (HHS), Labor and Transportation recently released updated guidance to aide state agencies in maximizing the use of federal resources in answering the challenge of moving individuals from welfare to work. The guidance outlines how communities can use TANF, Welfare-to-Work, and Job Access funds to provide transportation services to welfare recipients in search of employment. The guidance also offers a list of possible strategies that vary from transportation reimbursements to helping TANF-eligible individuals purchase or repair a car.

Additionally, HHS and the Department of Housing and Urban Development issued joint guidance for housing and welfare agencies. The guidance provides information on provisions of the Public Housing Reform Act of 1998 that require housing and welfare agencies to work together to help families in public or subsidized housing move towards self-sufficiency.

- More information on the joint guidance can be found at http://www.acf.dhhs.gov/programs/ofa.

## WORKFORCE: Florida's Workforce Innovation Act of 2000

On May 30, 2000, Governor Jeb Bush signed Florida's Workforce Innovation Act ("the Workforce Florida Act" or "the Act") into law. The Workforce Florida Act more fully implements the federal Workforce Investment Act (WIA) than had been done previously.

The primary aim of the Act is to eliminate Florida's fragmented delivery of workforce-related services at the state and local level. Accordingly, the Act consolidates many of Florida's workforce-related programs, including the work-, training- and education-related aspects of Temporary Assistance to Needy Families ("TANF"), into a single new entity called Workforce Florida. In addition, the Act makes many noteworthy substantive changes to the WAGES program, the "work first" component of Florida's welfare program.

Workforce Florida funnels persons needing training or work-related assistance, including TANF recipients, to a central location (one-stop office) for workforce services. This means that, as a practical matter, TANF recipients will get training-, education- and job-related services ("workforce services") from the same one-stop office that provides those services to persons who are not on welfare. For example, instead of TANF recipients going to a TANF office for workforce services and assignments, they will go to the same office as Unemployment Compensation (UC) applicants.

Because the Workforce Florida Act incorporates the WAGES program into the same system as many other federally-funded training programs, the administrative scheme for WAGES is changed significantly. Instead of the State WAGES Board, the new Act establishes a private not-for-profit corporation called Workforce Florida to run the TANF program, as well as other work programs, on the state-wide level. Instead of local WAGES coalitions, the Act requires Regional Workforce Boards to handle much of the local administration. The Department of Children and Family Services (DCF), however, continues to play the same role it did under the old WAGES program. DCF will still be responsible for determination of financial eligibility and actual provision of benefits.

Of course, even though TANF recipients will be walking in the same door as other persons seeking help, it remains to be seen whether consolidation of workforce programs will make any difference in the services they actually get. TANF recipients will continue to be bound by the same work activity requirements that have always made it difficult for them to obtain training. However, the new Act may, at the very least, make it more likely that TANF applicants and recipients will get information about the full array of training- and education-related options available to them, including options completely outside the welfare program.

*The above was submitted to CU by Valory Greenfield and Cindy Huddleston of Florida Legal Services, Inc.*

- For more information, please contact Valory Greenfield at (305) 573-0092 or Cindy Huddleston at (805) 385-5876, extension 14.

**POST-SECONDARY: Access for Low Income Families on State Agendas**

New laws and administrative changes have been proposed or enacted in several states to allow greater access to education for TANF recipients and other low income families. The following initiatives are some of the most recent of these.

This article follows a paper CLASP published in September 1999 (revised February 2000) titled "State Opportunities to Provide Access to Post-secondary Education under TANF." The paper, which is available at http://www.clasp.org/pubs/jobseducation/Postsec and TANF final.htm, describes the opportunities and restrictions that TANF rules place on states as they attempt to open access to post-secondary education for welfare recipients. Also included in it are descriptions of policies and programs being implemented by states at that time. Many of the new initiatives described here mirror those detailed in the earlier paper. Some, however, are new approaches or aim to assist a wider group of families than TANF recipients.

**Connecticut** (CT S.B. 160 – enacted 6/1/00). A section of this legislation requires the state's Department of Labor, in cooperation with the Department of Social Services, to create a program to provide state-funded work-study positions to needy parents (on or off public assistance) in training programs certified under the Workforce Investment Act of 1998. The program is also to provide the necessary child care and transportation. Further, "[t]he program shall be designed in order to enable a participant's family to be independent of temporary family assistance by the end of the twenty-one month time limit for such assistance and to increase the participant's ability to achieve economic self-sufficiency." The program, once the Department has created it, is to be presented to the legislature for its approval in the 2001 legislative session.

The Center for Women Policy Studies is conducting a qualitative research study to examine the impact of TANF rules on low-income women trying to enter or remain in college. The study also examines barriers facing low-income women, the need for support while pursuing a postsecondary education and the factors that contribute to their college success. The findings will be reported in a chapter in *Out of the Academic Crest: Poor Women, Welfare and the Promise of Education*, edited by Vivyan Adair. The expected date of completion for the report is mid-August. The book is expected to be published January 2001.

**Hawaii** (HI S.B. 3123 -- enacted 6/20/00). This legislation creates the Bridge-To-Hope program, a post-secondary education benefits program within the TANF agency. The law states that, to be eligible, a single parent must:

1. Be enrolled as a student each term,
2. Maintain passing grades or better throughout the course of study,
3. Meet work activity requirements as defined by the department.

The work requirements can be met with "[i]nternships, externships, practicums, or any other work training required by the course of study…"

The legislation also appropriates $300,000 for the 2000-2001 fiscal year for the program, which will be given to the University of Hawaii to administer.

At the 23rd Annual Legislative Conference, the National Black Caucus of State Legislators (NCBSL) adopted a resolution in support of post-secondary opportunities for female TANF recipients. Sponsored by Maryland delegate Howard P. Rawlings, the resolution cites post-secondary education as a cost-effective tool for moving women from welfare to work. It further states that post-secondary education breaks the cyclical nature of poverty for women and children. For these reasons and many others stated within the resolution, the NCBSL resolved to support federal and state legislation, as well as, state programs and initiatives that allow post secondary education count as a work activity.

For more information, contact the Caucus at (202) 624-5457.

**Illinois** (IL H.B. 3981 – introduced 1/26/00 – not enacted before end of session). This legislation, which failed to pass this legislative session, is entitled the Higher Education for Real Opportunities Act (HERO). Under it, low-income parents who are eligible for state child care subsidies but who are not on public assistance would get grants for post-secondary education. These grants would cover books and supplies, up to $400, and would also include a monthly cash stipend based on 1/3 of the federal poverty level for size of the recipient's family. The student would remain eligible for childcare. There is a work requirement but it does not apply if the parent is enrolled full-time. If enrolled part-time, then there are work requirements that are different for the two categories of students affected. Vocational training students are not required to work for the first 24 months, but after that if they are still in school they must work 20 hours a week. 2-year or 4-year degree students must work 10 hours per week. For the purposes of these work requirements, "employment" is defined to include work-study and paid campus work. The work requirement can also be met with 20 hours of unpaid campus employment, internship or practicum work. Students must maintain a 2.0 GPA. Advocates in the state plan to propose a slightly revised bill again next year.

**Massachusetts** (MA S.B. 232 -- not enacted before end of session). This bill would have created a program called Learning and Earning for Parents, or LEAP, which would have used state funds to provide education, training and work experience for parents below the federal poverty level. The state would use TANF funds to provide wages for work-study positions, transportation reimbursement and childcare subsidies. State MOE funds would be used to pay stipends to the families so that, combined with the work-study wages, such stipends would bring the family to the poverty level. The population affected would overlap, or be similar to, the welfare population, but the wages and stipends would be in lieu of public assistance.

The bill states that "[a] parent is eligible for the LEAP program if (a) the parent has one or more dependent children, (b) total family income is below the federal poverty level, and (c) the parent is enrolled in a recognized job training or education program for at least twenty hours per week or an accredited post-secondary program not beyond the four-year level of at least 12 hours per week."

To remain eligible, the parent must participate in paid work, work-study, or some combination of the two for 20 hours per week and must make satisfactory academic progress.

**New Hampshire** (SB 313 – enacted 5/8/00). This bill establishes a 2-year commission for the purpose of studying the relationship between post-secondary education and recipients of TANF. Issues to be addressed in the study include "how successful New Hampshire's welfare reform program has been in helping recipients achieve long-term economic independence, what education options are currently open to recipients, and what options are possible to increase access to post-secondary education for low income parents."

**New Jersey** (NJ A.B. 2143 – legislation currently in Assembly Appropriations Committee). The bill establishes the Individual Development Account program. The Department of Community Affairs will select community development organizations to implement the IDAs. Eligible persons are those who earn less than 80 percent of the median income in their county, or whose net worth does not exceed $10,000 excluding the primary dwelling and one motor vehicle. The state appropriates $5 million to match deposits made by the account holder up to $5,000 each year, and the matching is on a 2-1 basis. To take the money out, the account holder must have the approval of the organization, have satisfied the organization's requirements of "economic literacy" and use the money for one of the listed activities in the legislation. These include "educational costs," "job training costs," and "any individualized expenditure, approved by the community development organization and the commissioner, which would move the account holder towards economic self-sufficiency."

**New York** (NY A.B. 8475 – passed by legislature 6/15/00, awaiting signature of the Governor). The law would allow students receiving TANF to have internships or work-study count towards the state's work requirements. Currently in New York City, the city government has required students to engage in 20 hours of workfare, which has been credited with forcing some participants out of school. The bill allows the district to decide whether or not students can exercise the new option. The district may consider "among other factors,"

- whether the student chose to end or reduce paid employment in order to qualify for public assistance
- whether a comparable job or on-the-job-training slot exists
- whether or not the student has a C average, although this consideration may be waived because of the death of a relative, personal injury or illness, or other extenuating circumstances
- whether or not the educational institution is properly monitoring and reporting to the local social service district on a monthly basis.

**Pennsylvania** (Administrative action announced 6/14/00; PA H.B. 1266 – no longer under consideration as of 6/5/00). Several policy shifts by the Governor's administration have followed a failed drive to further open access to postsecondary education for welfare recipients. The bill that advocates pressed (HB 1266) in the Pennsylvania legislature would have:

- clarified education and training policy,
- required caseworkers to inform recipients of education and training options,
- changed state-defined work activities to include education and training, and
- instituted an outreach system that would help families comply with rules and avoid sanctions.

The administration responded with several administrative changes. Most notably, the Department of Social Welfare announced that some recipients will get a six-month extension to finish up post-secondary programs that are in progress. Those who have been enrolled in education or training programs for 12 months (or two semesters) during the first 24 months of assistance can now have their work requirements waived for six additional months (or a semester) in order to finish up the educational or training program.

The time for class, studies and school activities must add up to at least 20 hours a week, and students must perform satisfactorily. Nothing has been stated about the 5-year cumulative limit. The Department has not indicated when the new policy will be in effect and has not yet drafted the new regulations.

Among the other policy shifts, the administration proposed, and the General Assembly approved, $4 million of TANF funds to further open access to post-secondary education. $2.5 million will go towards four or five community colleges for program development, including intensive case management for students receiving TANF assistance and former TANF recipients whose incomes do not exceed 235% of the poverty level. $1.5 million will go towards loans, grants, and work-study slots for a limited number of the same population. Again, regulations have not yet been issued, and details on how the funds will be accessed are forthcoming.

**Washington** (WA H.B. 2367 – enacted 3/17/00; WA S.B. 6539 -- not enacted before end of session). Two legislative efforts to expand access to education and training in Washington were made this year. One succeeded; one failed to be passed before the session ended.

The new law that successfully passed alters the state's definition of work activities. It already includes vocational education for up to 12 months and job skills training related to employment. Now these additions are made:

- federal work-study for up to 24 months.
- internships or practicums required for vocational training or a license certificate in a high-demand field, for up to 12 months, paid or unpaid.
- internships, paid or unpaid, that are work experience in business, government, or a non-governmental agency.
- any practicum in an educational program in which the student is under close supervision of a professional and is for the purpose of advancing skills or knowledge.

This bill that did not pass would have offered parents who receive the Earned Income Tax Credit a credit for education. It would be called the Earned Income Training Credit and would amount to half of the Earned Income Tax Credit received in a year, up to a certain maximum. The maximum would be set by the college board to be equal to six times the quarterly tuition currently at community and technical colleges. The Earned Income Training Credits must be used within five years of receipt and must equal at least a thousand dollars before they can be used. The Credit could be used for tuition at a post-secondary institution, reimbursement for a training-provider, or reimbursement for a current or prospective employer who provides training under a contract approved by the college board. The college board would be empowered to set standards to define training and employment. If the student were enrolled at least half time, she or he would be eligible for subsidized child care and financial aid which is not reduced by the availability of the Earned Income Training Credit. The college board is also required to provide an evaluation report to the legislature every two years.

**West Virginia** (WV S.B. 455 Report -- issued 12/1/99; WV S.B. 577 – enacted 3/11/00). Two important changes have taken place in West Virginia. First, the state Department of Human Resources (DHHR) has announced a plan to use MOE funds to support about 350 welfare recipients pursuing education. The participants would be enrolled in two- and four-year post secondary programs, and would access TANF during their first year. After that they would receive MOE-funded benefits while they are in school. Class time and study time would count toward the federal work participation requirement if the education is considered vocational training. During the first year this would also count toward the state work requirement; there would be no additional work required. After the first year students would be required to engage in paid employment of at least 10 hours per week, be enrolled in school full-time, and make satisfactory academic progress. The Governor has allocated $1.5 million in his annual budget to fund the program. The plan was developed after the legislature passed S.B. 455 in 1999 ordering DHHR and representatives of public educational institutions to develop a plan to assist TANF recipients in education.

The second change, S.B. 577, passed by the legislature in March of this year, allows the state's work requirement to be fulfilled by "attending an educational or training program." Further, "education and training" is defined to include "any hours spent regularly attending and preparing for classes in any approved course of schooling or training, including job training, high school equivalency, literacy, English as a second language or vocational or post-secondary program, including two-year and four-year programs." The student must make progress toward completing the program, and anyone enrolled in a two-year or four-year degree program is not to be required to engage in more than 10 hours of federally defined work activities. If the Department finds that the state will not meet its federal work participation rate requirements because of the program, it can be suspended.

**Vermont** (VT S.B. 301 -- introduced 2/5/00, not enacted before end of session). This bill would have enabled low-income Vermont residents, including those on public assistance, to apply for special savings accounts designed to encourage savings and potentially offset educational expenses. The accounts would be held with service providers approved by the human services agency, and would receive matching grants from the state in a proportion not specified in the bill. The participants, once found eligible, would receive financial counseling and agree to a plan with the service provider. The money would have to be used within five years and for one of the approved uses, including entrepreneurial uses, post-secondary education, and home-ownership. Any money in the account would not be considered income for state income tax purposes, except interest accumulated if the money is not used for approved purposes within five years. There is also a tax credit for a taxpayer who puts money into such an account, the credit being equal to four percent of the amount contributed.

## POST SECONDARY: New Visions Combines Education with Employment

"Work Plus" has replaced "work first" in a Riverside, California program designed to "prepare welfare recipients for college and help them move to better jobs." This fundamental shift is central to the New Visions program, a partnership between Riverside Community College (RCC) and Riverside County Department of Public Social Services (RCDPSS). This "work plus" program combines academic instruction with work requirements in an effort to create a sustained attachment to the labor force.

New Visions is divided into two educational components, a 24-week core educational program and a five-month occupational mini-program. The core program offers courses in remedial math, English, and reading; basic computer skills; and career-life guidance. The mini-occupational program provides participants with the opportunity to receive specialized education in occupations such as nursing, police dispatching, office administration, medical technician, human resources, early childhood education, corrections, manufacturing and construction. To qualify for New Visions, clients have to possess a high school degree or GED and must be working at least 20 hours a week.

Recognizing that welfare recipients in the New Visions program have to balance their family life with education and TANF work requirements, the program is designed to assist parents with this balance. The core program offers individualized instruction provided in three-hour time intervals, four days a week. Additionally, the courses are taught three times daily to accommodate the demands of work, child care, or transportation needs. Students are allowed to chose the time slot that is most convenient for them. New Vision participants also have counseling and case management services that aide in the making the balance between family life, work and education manageable.

The evaluation of New Visions is the first to use a random assignment design to measure the impacts of a college as career enhancement strategy on welfare recipients and one of few studies to examine design and implementation issues of such programs. In *College as a Job Advancement Strategy: An Early Report on the New Visions Self-Sufficiency and Lifelong Learning Project*, Abt Associates, the evaluator, offers findings to date. The pilot phase of the program was initiated in 1998-99 and the first operational year was 1999-00. A total of 143 clients (70 treatment and 73 control) participated during those years. Though parts of the program were not fully implemented during the pilot phase, e.g. the mini-occupational program was not fully developed, some early lessons can be gleaned from the implementation process. The following excerpts and summarizes highlights from the findings noted in the Abt report:

**Programs like New Visions can anticipate the need for an intensive marketing and outreach effort to convince working parents to return to school**. Due to enrollment falling beneath the target in the pilot phase, RCC and RCDPSS had to redefine their recruitment efforts. Originally, their recruitment and outreach mainly consisted of presentations at GAIN career fairs and invitation letters sent through the mail. During the second year outreach efforts were expanded and involved a telephone campaign, holding the "Tiger Tailgate," an event designed for families, and special presentations given by participants. These intensified efforts helped to maintain a steady enrollment of about 40 participants (20 treatment, 20 control).

**Colleges and welfare agencies must be prepared to work together closely and maintain a flexible outlook on program design and logistics**. Colleges and welfare agencies have to coordinate closely because both have important resources required to effectively implement a college as career enhancement strategy. Coordination between the two may be difficult because of the institutional differences that may exist. For example, case managers work in an environment that focuses on employment as a means to self-sufficiency, while college instructors see educational advancement as the key to economic prosperity. During the first year of the program, there was little teamwork and coordination at the operational level between the two agencies, especially around the issue of recruitment. In the second year a strong working relationship was forged between the agencies to address recruitment issues.

**The New Visions model suggests several principles for designing instructional programs**. Programs using college as a career enhancement strategy for welfare recipients should consider customizing instruction to best serve the participants. A special curriculum must be designed that include non-traditional teaching methods. Examples from the New Visions program include non-traditional academic instruction with real-world skills training, implementing incremental steps that reinforce accomplishments, and having accommodating and dedicated faculty and counselors. Additionally, the program requires students to be disciplined, yet the program allows for recognizes the need for flexibility in individual situations.

**An encouraging environment and strong supportive services are key to success**. New Visions and similar programs will need to be sure that substantial support services are in place to assist participants in balancing school, work and family responsibilities. New Visions participants experienced some difficulty balancing school with work and child care. The program has tried to help participants with this issue by providing intensive case management and support services that included helping participants find and manage transportation and child care.

- The full report is available on the Abt Associates, Inc. website at **http://www.abtassoc.com** or by calling David Fein at (301) 913-0548.

### REPRO: New Out-of-Wedlock Bonus Winners To Be Announced

The 1996 welfare law included an annual award of $100 million to the five states with the greatest reductions in out-of-wedlock births that also reduced their abortions. In 1999, the first round of bonuses was awarded to Alabama, California, the District of Columbia, Massachusetts, and Michigan based on the reductions achieved between 1994 and 1997. Each state received $20 million in TANF funds. HHS recently released the names of five states achieving the greatest reductions in out of wedlock births: Alabama, Arizona, the District of Columbia, Illinois, and Michigan. These states, in order to get bonus funds need to document a reduction in abortions. In the next issue, CLASP Update will report on how last year's winning states allocated their bonuses.

### LEGAL SERVICES: Supreme Court to Consider LSC-Funded Welfare Litigation

Next fall, the United States Supreme Court will hear arguments in a case challenging the constitutionality of the 1996 Congressional prohibition on programs funded by the Legal Services Corporation (LSC) that prevents such programs from seeking to invalidate existing welfare reform laws when representing an individual client. No decision is expected until the spring of 2001.

In 1996, Congress imposed a number of onerous restrictions on programs funded by LSC. For example, such programs could no longer file a class action, claim or collect attorneys fees, or represent prisoners and certain aliens. One of the most problematic of the restrictions prevented LSC programs from challenging State or Federal welfare reform initiatives, laws or regulations. However, the provision permitted programs to represent an individual client who is seeking relief from a welfare agency because of threatened adverse action based on a welfare reform law, regulation or policy, so long as the representation did not involve a challenge to an existing welfare reform law.

Two cases were filed challenging all of the 1996 restrictions. See ***Legal Aid Society of Hawaii v. Legal Services Corporation***, 145 F.3d 1017 (9th Cir. 1998), *cert denied* 119 S. Ct. 539 (1998) and ***Velazquez v. Legal Services Corporation***, 164 F.3d 757 (2d Cir. 1999). The courts held in both cases that, under the First Amendment, Congress could impose restrictions on LSC funded programs to prohibit them from using any funds to bring class actions, seek attorneys' fees, represent certain aliens and to do other activities. The courts found that LSC's program integrity rules - which permitted programs to form affiliated organizations or transfer some of their non-

LSC funds to other entities - provided adequate alternative channels for the exercise of First Amendment rights of the programs.

However, the Court of Appeals for the Second Circuit invalidated the part of the welfare reform prohibition which permitted representation of an individual client in a welfare case so long as the representation did not involved a challenge to the welfare reform law. The majority held that this provision - the so called "suit-for-benefits limitation" - constituted unlawful viewpoint-based discrimination and violated the free speech clause of the First Amendment. The Second Circuit did uphold the broader prohibition against participation in lobbying, rulemaking or litigation involving welfare reform.

The issue now before the Supreme Court is the question of whether the limitation on suing for benefits is constitutional. If the Supreme Court agrees with the Second Circuit, legal services programs funded by LSC likely would be able to challenge existing welfare reform laws in the context of representation of an individual client's welfare case. However, the basic prohibition against lobbying, rulemaking and litigation involving an effort to reform the welfare system would remain.

**HEALTH CARE: TANF Diversion May Contribute To Medicaid Decline**

The decline in welfare caseloads has been accompanied by a decline in Medicaid enrollment and a rise in the number of uninsured people in the United States. A recent study in the American Journal of Public Health, "State Welfare Reform Policies and Declines in Health Insurance", examines the relationship between specific state TANF policies and health coverage. The researchers conclude that declines in health coverage are associated with policies that deter TANF enrollment, restrict benefits because of work noncompliance, and fail to guarantee child care. The authors stress the significance of TANF deterrent policies as a potential source of health coverage problems. Included in the analysis of deterrent policies were: providing lump sum payments instead of TANF enrollment, mandating applicants make an alternative resource search prior to enrollment, and requiring a mandatory job search prior to enrollment. Among the findings:

- Where states require applicants to seek alternative resources before obtaining TANF, the policy is predictive of increases in uninsurance for the total population and for children.
- In states that deterred enrollment by offering lump-sum cash payments to would-be applicants, the decrease in TANF enrollment was 38.8% as compared to 31.5% in states without it. Similarly, the decline in adult Medicaid enrollment was nearly 5% greater in states with the lump-sum deterrent than it was in states without that policy.
- Where state policy mandates a job search prior to TANF enrollment, the policy predicts declines in both TANF and Medicaid. Specifically, in states that adopted a mandatory job search policy for TANF enrollment, the TANF caseloads were reduced by 42% as compared to a reduction of 30% for states without the policy. At the same time, the Medicaid enrollment for all TANF recipients fell by 18% in states with the job search policy compared to a reduction of 11% for those without it.

Deterrence is particularly significant because of the nine states that have implemented at least 2 of these strategies, 6 of them already had uninsurance rates in the top third of all states in 1996.

The researchers also looked at the implications of a set of restrictive policies which included time limits, a workfare requirement less than 2 years, initial work sanction of full benefits, and a sanction applied to Medicaid. Among the findings:

- Sanctioning an entire family's TANF grant for initial noncompliance with workfare was significantly associated with declines in Medicaid enrollment for TANF recipients.
- Employing the restrictive policy of shorter time limits predicted a decrease in uninsurance. However, the authors note that because the time limits were just beginning to take effect at the time of the study, a causal relationship is not likely.

In assessing the role of supportive policies, the researchers included a child care guarantee, and adoption of the family violence option. The key finding:

- In states that did not guarantee child care to current TANF recipients, Medicaid enrollment declined among adults by 6.5% as compared to a 3.1% decline in states that have a child care guarantee.

These findings are significant because the Personal Responsibility Work Opportunity and Reconciliation Act (PRWORA) of 1996 specifically "de-linked" eligibility for Medicaid and TANF. The analysis suggests that policies should be reexamined more closely particularly to ensure that efforts to deter TANF enrollment do not inadvertently deter people from Medicaid.

➢ The full text of the article appears in the American Journal of Public Health, June 200, Vol. 90, No. 6. Requests for reprints of the article should be sent to Wendy Chavkin, MD, MPH, Joseph L. Mailman School of Public Health, Columbia University, New York, N.Y. 10032. (e-mail: sc9@columbia.edu).

## COUPLES/MARRIAGE

CLASP is pleased to announce an addition to our organization - the Couples and Marriage Policy Resource Center and its new web site, http://www marriagepolicy.org, which is under construction and should be on-line by early fall. It will include a 50-state database. We hope it will be a valuable resource to couples and marriage professionals, researchers, public officials, community leaders, advocates and the media. Below, we have listed the mission and approach of the new resource center.

The Couples and Marriage Policy Resource Center seeks to inform the public debate on policies which strengthen and stabilize two-parent families and marriage. Our major interest in these topics is their effect on child well being.

**The Couples and Marriage Policy Resource Center: Our Approach**

The Center will provide balanced, nonpartisan information, education, consultation and technical assistance to public officials, community leaders, advocates and the media. While we do not aim to be comprehensive, we will report on a wide range of activities and points of view.

Our approach recognizes that:

- Couple and marital relationships are complex and diverse;
- Most people value a lasting, healthy marriage but this goal has become increasingly difficult to achieve;
- Not all people can marry, or want to marry, and some marriages are better ended.
- No one sector is responsible for strengthening couples and marriage.
- Policy and program strategies should not be coercive nor blame or stigmatize single parents

## TANF and Family Formation Goals

Most people are aware that the 1996 law establishing the Temporary Assistance for Needy Families program (TANF) is about requiring welfare mothers to work and setting time limits on their receiving public assistance. However much less well known is that three of the four purposes of the TANF law relate to changing family formation behaviors:

(ii) " to end dependence of needy parents on government benefits by promoting job preparation, work and marriage..."
(iii) "to prevent and reduce the incidence of out-of-wedlock pregnancies**…**
(iv) " to encourage the formation and maintenance of two-parent families."

States may choose how to define two-parent families, thus they can provide assistance to two parents whether they are married, unmarried, separated or divorced and whether they are living together or not.

In early 1999 the Administration published *a Guide on Funding for Children and Families* through the TANF program. The Guide offered some suggestions of policy changes or activities that could be engaged in to promote marriage and encourage two-parent families.

### What are states doing to pursue these family formation goals?

**Reducing out-of-wedlock births.** It is not clear what special efforts, if any states have undertaken to pursue this goal. According to a study done at Columbia University, in three of the five states winning the 1999 "illegitimacy" awards, the Maternal and Child Health Directors indicated that their state undertook no special activity to win the bonus. However, the Virginia Health Department and perhaps others made explicit efforts to win the bonus in the 2000 round [see the Out of Wedlock Bonus story elsewhere in CU]. Virginia spent state funds and $1 million of TANF funds to support the formation of 19 community-based out-of-wedlock pregnancy prevention coalitions, *Partners in Prevention.* These coalitions are especially targeting young adults, 20-29 with the message that "marriage is the right place for a child to be born." Most states have tapped some TANF funds for teen pregnancy prevention projects and for family planning initiatives, according to CLASP surveys.

**Strengthening two-parent families and promoting marriage.** The clear majority of states have taken steps to drop the stricter eligibility requirement for two-parent (married and unmarried) family households that existed in the AFDC program: according to data from the State Policy Documentation Project, as of 1999, thirty three states' policies now effectively treat such families the same as single parent families when determining eligibility. At the same time, at least 14 states have now established state-funded programs for two parent families in order to provide assistance to these families without risking the penalties associated with the TANF high work participation rates for two parent families.

Only two states to date—Oklahoma and Arizona— have taken steps to use substantial amounts of unspent TANF funds for initiatives explicitly designed to promote marriage and strengthen two-parent families.

**Oklahoma.** In February 1999 the Governor Frank Keating and the First Lady hosted a Conference on Marriage which launched the statewide Marriage Initiative. The Governor would like to see the divorce rate, the second highest in the nation, reduced by one third by 2010. From the outset, the Initiative was planned to be a multi-sector initiative including religion, business, government, legal, health and social service providers, universities and the media.

A year later, in March 2000, the Governor announced his decision to set aside $10 million of unspent TANF funds to be used to strengthen marriage and reduce divorce. (This represented about 10% of the state's total TANF unspent funds). As of June 2000, Oklahoma's plan includes:

- Providing public education and awareness activities using the media, and national marriage experts;
- Building the capacity of maternal and child health, welfare, and other government funded services—such as the statewide nurse home-visiting program— to help strengthen and stabilize young parents' relationship;
- Investing in training state employees and community leaders to offer education and relationships skills workshops in every county in the state;
- Assisting fatherhood and youth development projects to integrate a focus on marriage;
- Creating a Scholars in Residence program for two nationally known relationship and marriage experts to be an ongoing resource to the Initiative;
- Improving the state vital statistics system and investing in research to better understand the challenges of family formation in the state and evaluate the new initiatives;
- Encouraging the states most prominent religious leaders (across denominations and faiths) to agree to offer marriage preparation courses and marriage mentors to couples during the first crucial years of marriage.
- Establishing a Resource Center of materials and program models.

➢ For more information contact Public Strategies at (405) 848-2171 or <u>*mary@publicstrategies.com.*</u>

**Arizona.** In April 2000 Governor June Hull signed a bill, HB 2199, that includes an allocation of $1.65 million of TANF funds to be spent on divorce-prevention oriented, marriage-related activities:

- Grants for community-based marriage and communications skills programs ($1 million)
- Vouchers to married or cohabiting parents whose income is less than 150% of poverty to attend marriage skills training courses ($75,000);
- The development and printing of the marriage handbook by the Marriage and Communication Skills Commission ( an advisory body to be newly established) ($75,000)
- An advertising campaign to supplement monies used for teen pregnancy prevention (abstinence education) ($500,000).

➢ For more information contact Representative Mark Anderson, Chair of the Human Services Committee and chief sponsor of the legislation at manderso@azleg-state.az.us.

**Local/County Level Activities.** In some states county welfare agencies have the flexibility to decide to launch a demonstration or pilot program to pursue the TANF family formation goals. There has been no systematic study of the number and scope of these initiatives, although they are undoubtedly few in number.

It is our understanding that the above listed activities are offered on a voluntary basis. We plan to continue to track what states and communities are doing to promote marriage and strengthen two-parent families and encourage you to update us about any examples in your state or community by writing to info@marriagepolicy.org.

## EMPLOYER TESTIMONIAL

In national news media and local press accounts, testimonials from employers of welfare recipients increasingly provide an important liturgy regarding the value placed on and the capacity of welfare recipients as workers. The quotes from employers made in today's good economic times are important documentation for employment efforts in the future, particularly if today's good economic times turn sour. Employers who articulate the value of a welfare recipients should be interested in supporting that individual as much as they might support any other worker if the economy turns sour. Even if the employer cannot directly support the individual during an economic downturn, the employer who looks to the future should want to ensure that adequate government assistance reaches the worker who faces hard times. CLASP encourages local groups to maintain clips of such quotes, to build alliances now for the future.

> "'We employ TANF recipients because they make loyal workers. We had a retention rate in Seattle of 92 percent over the last year,' said George Owen, public relations manager for community development banking for the Bank of America. Owen said hiring TANF recipients is 'good for business' because they open checking accounts with the Bank of America."
>
> Excerpted from "Bank's Initiative Seeks Out Talent Among TANF Leavers," *Welfare to Work*, June 12, 2000.

## RESOURCES

**New Paper on TANF and Time Limits.** The Center on Budget and Policy Priorities recently released a new report that addresses one of the best known features of the 1996 federal welfare law: the 60-month time limit on receipt of TANF assistance. Generally a family that includes an adult is limited to 60 months of assistance provided with TANF funds. Nationally, at least 60,000 families have lost TANF benefits because of reaching a time limit. Most states adopted their time limit policies within the year following the passage of the 1996 welfare law. States generally wanted to deliver a strong message to families that they were subject to times limits and many states deferred for another time developing detailed policies about circumstances under which families could receive extensions of benefits. In *Ways that States Can Serve Families That Reach Welfare Time Limits*, author Liz Schott encourages states to think more broadly about the range of ways to address the needs of families reaching time limits. She takes into account the flexibility states have under the federal welfare law to design their time limit policies. The paper discusses each of these approaches and addresses how they may be funded with state or federal welfare funds.

- *Ways that States Can Serve Families That Reach Welfare Time Limits* is available online at http://www.cbpp.org/6-21-00wel.pdf. If you are unable to open the PDF file and would like a paper copy, please contact Martin Taylor at taylor@cbpp.org.

**Listserv Announces New ASPE Reports.** A new listserv from the Health Services Policy division of APSE provides notification of relevant publications, grant announcements, and grant awards. Recent postings include "Further Progress, Persistent Constraints: Findings from a Second Survey of the Welfare-to-Work Grants Program" at http://aspe.hhs.gov/hsp/wtw-2nd-survey00/index.htm and the announcement of the creation of the National Evaluation of Welfare-to-Work Strategies (NEWWS) website at: http://aspe.hhs.gov/hsp/NEWWS/index.htm Included on the NEWWS website is the recent report: "Impacts on Young Children and Their Families Two Years After Enrollment: Findings from the Child Outcomes Study" at http://aspe.hhs.gov/hsp/NEWWS/child-outcomes/summary.htm.

- To subscribe to the list, send an e-mail to LISTSERV@LIST.NIH.GOV and, in the text of your message (not the subject line), write: SUBSCRIBE ASPE-HSP-NEWS-L.
- To obtain information on the listserv, send an e-mail to LISTSERV@LIST.NIH.GOV and, in the text of your message (not the subject line) write: HELP or INFO. HELP will give you a short help message and INFO a list of the documents you can order from the listserv.

# CLASP*Update*

**A CLASP Report on Welfare Developments**

**Jodie Levin-Epstein, Editor**

**September 2000**

## WELFARE AT FOUR: Administration and Welfare to Work Partnership Take Stock

**The Administration:** Commemorating the four-year anniversary of the signing of the welfare law, the Personal Responsibility and Work Opportunity Reconciliation Act, on August 22 the Clinton Administration released new data on the rapid declines in welfare caseloads and the record proportion of people on welfare who are now working. This data was released within a set of announcements made by the White House and the Department of Health and Human Services' Third Annual Report to Congress. President Clinton indicated that not only are the welfare rolls half of what they were in 1996, but the percentage of Americans on welfare, now 2.3%, is at its lowest level in 35 years. Because of the significant increases in the number of working welfare recipients, from 7% in 1992 to a record high of 33% in 1999, all of the states were able to meet welfare reform's overall work participation requirements in 1999. The Administration released the following information on welfare trends:

- In December of 1999 the welfare rolls totaled 6.3 million. Compared with the January 1993 total caseload of 14.1 million, the December 1999 total reveals a 56% decline in the number of welfare caseloads. About 75% of this decline has occurred since the welfare reform law was enacted.

- Ten studies funded by the Department of Health and Human Services since welfare reform have found that 62 to 75% of former welfare recipients were employed for some or all of the 12 months following their transition off of welfare.

**INSIDE…**



CONTRIBUTORS: Megan Annitto, Marie Cohen, Janellen Duffy, Martha Nguyen, Steve Savner, Rachel Schumacher, Vicki Turetsky, Steve Wamhoff

- For employed welfare recipients who remain on the rolls there has been an increase in earnings from approximately $466 per month in FY 1996 to $598 in FY 1999, an increase of 28%.

- All of the states and the District of Columbia have had success in meeting welfare reform's overall work requirement for 1999, which mandated adults in 35% of all families on welfare to work at least 25 hours a week. The national work participation rate for 1999 is 38%, up from 35% in 1998. This is a "particularly impressive gain" considering the simultaneous 18% caseload decline over this same time period. Of the 36 states subject to the two-parent work rates, which require 90% of two-parent families to work 35 hours per week, 28 states were able to meet this participation rate successfully.

- Demographic trends suggest that the composition of the welfare caseload is changing. The overall caseload is now comprised of a greater proportion of minorities, a significantly higher proportion of cases where no adult receives assistance, and cases consisting of somewhat older parents who have somewhat older children. Also, according to a recent Brookings Institution report, in the past five years welfare caseloads have become "predominantly urban."

- The percentage of TANF families that have no adult recipient increased between FY 1998 and FY 1999, and this was the first such increase in this group since 1996. Approximately 29% of TANF families were child-only in FY 1999. This figure indicates an increase of 6 percentage points for the 49 states that reported child-only cases for the October 1997-September 1998 period.

➢ The above information was excerpted from White House announcements on Aug 22, 2000, and the Department of Health and Human Services Third Annual Report to Congress. The full text of the White House announcements is available at http://www.pub.whitehouse.gov/retrieve-documents.html. The full text of the DHHS' Third Annual Report to Congress, which covers topics such as employment and earnings of needy families, making work pay, and trends in expenditures and caseloads, is available at http:// www.acf.dhhs.gov/programs/opre/annual3.doc

**Welfare to Work Partnership:** Comprised of over 20,000 American employers who have hired 1.1 million individuals from the welfare rolls, the Welfare to Work Partnership has recently released its *Report to the President on Welfare to Work*, as a part of the 4-year anniversary of welfare. The report includes a summary of the lessons the partnership has learned in the past three years and recommendations for improving the welfare to work initiative. The data collected by the Welfare to Work Partnership illustrates welfare recipients' ability to serve as productive employees and on the need for increased employment of former welfare recipients in the future. Among the lessons the Partnership has gleaned in the past three years, the group has learned the following:

- The new welfare hires are considered “good, productive employees” by 80% of the Partnership’s business leaders.

- Job retention rates for former welfare recipients rival and often exceed other entry-level workers. Between 60 and 65% of the Partnership employers indicate that their welfare to work hires remain on the job as long as, or longer than, their non-welfare co-workers.

- Over 75% of the Partnership businesses indicate that their company or industries presently continue to face labor shortages. Consequently, about 70% of the Partnership businesses plan to hire additional welfare recipients in the year 2000.

- As a result of labor shortages and the high retention rates of welfare hires, the Partnership’s employers have begun to see the value of investing in their welfare to work hires. Among the employees from the welfare rolls who earn a salary, the average annual salary is $19,641 and the average starting wage for this group is $7.80 an hour. In addition to these earnings, more than 74% of the Partnership’s employers offer medical benefits to their welfare employees and 88% of the Partnership businesses cover the employees’ dependents.

> “We knew that our mentoring program would lead to higher retention rates, and it did-almost twice as high. But the interesting part of the program is that working with former welfare recipients, and hearing how much it meant to have a job and be independent again, offered a unique perspective for our existing employees…Based on our success, I can look any shareholder or customer in the eye and say that welfare to work means a stronger workforce and better service for our customers.” Gerald Greenwald, United Airlines, Chairman Emeritus; The Welfare to Work Partnership, Boardchair
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> “At a Burger King, we have found that the workers who are hired off welfare have a 45 percent higher retention rate than the turnover rate for all other employees in the industry.” Dennis Malamatinas, Burger King Corporation, CEO
>
> “More than 25 years ago, UPS discovered that former welfare recipients make dedicated and loyal workers because they truly value their jobs. Since 1997, UPS has hired almost 35,000 people from welfare and operates welfare to work programs in 40 locations across the country…” James P. Kelly, United Postal Service of America, Chairman and CEO.

From its three years in operation, the Welfare to Work Partnership has arrived at several recommendations for continuing the progress that has already been made in welfare reform. Among their recommendations are the following initiatives:

- Adequate TANF funding upheld in the welfare reform reauthorization process. This will enable states to help those considered "hardest to serve" overcome difficult barriers to self-sufficiency, including help for individuals who remain on welfare and those who have exited the welfare rolls. Furthermore, the Partnership advises states and local officials to spend the TANF money they've already received responsibly. The Partnership strongly disapproves of some states' use of TANF funds to supplant state funds for welfare recipients and low-income families. Such supplantation fails to provide new services to eligible families.

- Sustained or increased resources for a variety of programs that will enable former welfare recipients to obtain and maintain their jobs. Specifically, the Partnership requests additional funding for child care and transportation assistance for welfare employees since they have found these two areas create the biggest obstacles to work for their employees. Mentoring programs for individuals tr
- *ansitioning off of welfare is another initiative the Partnership would like to see expanded.

- Additional supports that will help to "make work pay" for employees who are transitioning off of welfare. Such supports include an increase in the Federal Earned Income Tax Credit for low-wage workers, greater implementation of state-level refundable earned income tax credits, continued support for Medicaid and the Children's Health Insurance Program, and additional support for food stamps.

Lastly, the Partnership recommends that the federal government "do more to prepare welfare recipients for long-term success before their first day of work." As the welfare rolls have declined, many employers in the Partnership have begun to realize that in some cases, the current program of welfare to work "pushes recipients into jobs *before* they are prepared to succeed in them." To counteract such problems, the Partnership recommends the following:

- An expansion of the definition of "work activities" to permit some recipients to receive "intensive but temporary 'life skills' training before going to work."

- Suspension of the five-year limit on welfare for those recipients who are attempting to work their way off of welfare, but require partial reliance on welfare to supplement the earnings from their low starting pay.

- Greater utilization of the flexibility granted to state and local authorities under current law to permit "more and longer remedial, *pre-employment* help for recipients with the biggest obstacles to work," which the Partnership has found to be an increasing proportion of welfare recipients.

➢ Excerpted from The Welfare to Work Partnership's *Report to the President on Welfare to Work*. A copy of the full text of this report is available at http://www.welfaretowork.org

## CHILD SUPPORT DISTRIBUTION BILL MOVES TO SENATE

The Child Support Distribution Act of 2000 (H.R. 4678) passed the U.S. House of Representatives by 405-18 on September 7. The bi-partisan vote means that the measure stands a chance of passage in the Senate even though there is little time before Congress adjourns.

The bill would make significant changes in how much of the child support collected on behalf of poor children is received by those children. The bill also includes a modified version of the Fathers Count Act of 1999 which passed in the House by 328-93 when it was last considered in November.

If enacted, the child support distribution changes that would occur include:

- For families that leave welfare, child support arrearages that are collected would go to families first to repay debts owed them rather than to the government;
- For families receiving welfare, states would have the option to give more of the collected child support to families owed child support; and
- For state governments, the rules related to distribution as well as assignment of child support orders would be streamlined.

At the same time as this legislation is pending, the 1996 welfare law included child support distribution provisions that are due to go into effect on October 1, 2000. States are required to take this action.

The fatherhood provision would establish $140 million in competitive grants for programs designed for improving the capacity of non-custodial fathers to support and raise their children.

For details on the provisions of this pending legislation, see the following items posted on CLASP's web page:

- House Passes Child Support Distribution Act of 2000, Key Provisions at: http://www.CLASP.org/pubs/childenforce/4678key.htm;

- Assignment and Distribution of Child Support, Comparison of Current Law, Title I of H.R. 4678 and S.1036: http://www.CLASP.org/pubs/childenforce/4678ad.htm; and

- Fatherhood Programs, Comparison of Title V of H.R. 4678 and S.1664: http://www.CLASP.org/pubs/childenforce/4678father.htm

## STATE POLICY DOCUMENTATION PROJECT:
## Child Care Assistance

The State Policy Documentation Project (SPDP), a joint project of CLASP and the Center on Budget and Policy Priorities, tracks TANF policy decisions in the 50 states and DC. The project collects information on state policy, not practice. This article addresses a set of state child care policies implemented under the 1996 welfare law. The 1996 law eliminated the federal entitlement to child care assistance for families receiving or leaving AFDC, combined the principal preexisting federal child care funding sources into a single Child Care and Development Fund (CCDF) block grant, and increased state discretion in designing and operating child care programs.

### TANF Families

Under AFDC, states were required to guarantee child care to cash assistance recipients who needed child care in order to work or participate in education or training. Under the new law, states have no affirmative duty under federal law to provide needed subsidized child care assistance to families receiving TANF assistance. States are free to maintain an affirmative duty under state law to provide assistance to meet, in whole or in part, the cost of child care, but they are not obligated to do so. According to a 1998 Congressional Research Service review of state CCDF plans for 1997-1999, 35 states reported that they provided a child care guarantee for TANF families.

Under AFDC, states had the option of either paying for care provided to employed recipients, or disregarding all or a portion of the cost of child care paid by the recipient when determining the family=s eligibility and benefit level. Under the new law, 30 states have opted to provide direct payments, 3 states provide a disregard, and 11 states provide a choice between a disregard or a direct payment. In addition, 7 states reported some other policy, such as allowing a combination of payment and disregard (1 state) or allowing counties discretion in setting this policy (1 state).

Under AFDC, states could not require recipients participating in activities other than employment to pay a fee or co-payment in connection with child care assistance. TANF does not prohibit the requirement of a fee or co-payment. Under the new law, 38 states do not require a copayment for non-employed families and 13 do. Among the 13 states, 6 sometimes charge more than $25 a month, 2 sometimes require between $10 and $25 a month, 4 always require less than $10 a month, and one state did not report fee information.

### Families Leaving TANF Cash Assistance

Under AFDC, qualifying families were entitled to child care assistance for 12 months after they became ineligible for cash assistance due to an increase in earnings. Under TANF, there is no requirement that states provide child care assistance to families that become ineligible.

Twenty-seven states indicate that they have a transitional child care guarantee for certain families who become ineligible for cash assistance. Of the 27 states, all extend the guarantee to families with increased earnings and 19 extend the guarantee to those who voluntarily close their case and need child care to retain employment. Only 4 states indicate that the guarantee is extended to those who become ineligible for TANF due to a sanction.

The 1996 law allows states broad discretion when structuring any transitional child care guarantee. Seven states use a time limit to curtail the guarantee, 6 set limitations on the amount of income a family may earn, and 14 states use both time and income limitations, whichever comes first. Two of the states indicating a priority for these families also allow counties discretion to set these policies. States set time limits ranging from 2 months to 36 months, and limits on maximum monthly family income (for a family of three) ranging from $1,533 to $3,817.

Among the 24 states that do not have a specific transitional child care guarantee, 15 states indicated that they give priority to families transitioning from cash assistance over other low income working families, 8 indicated no priority status, and 1 did not provide any policy. Note that in some cases, states that indicated prioritization for transitional families also provided specific policy statements that did not indicate a priority policy and it is unclear how prioritization is operationalized in those states. In addition, while a group of states is now seeking to provide assistance to all families that meet a set income guideline, only some of these states indicate a priority policy exists for transitional families.

**Low-Income Families Receiving Child Care Assistance Funded Under the CCDF**

The CCDF is a block grant to states to provide subsidized child care programs for low-income families, including those who are not current or former cash assistance recipients. Prior to 1996, no federal guarantee existed to guarantee child care to this population, and that continues to be true. Rhode Island is the only state that has a statutory guarantee that all working families under a certain income level will receive child care assistance.

Under CCDF law and regulation, states may decide whether to extend eligibility for child care assistance to families in education or training. Thirty-six states provide assistance to families in education and training, often with a work requirement attached as well.

Under CCDF, the state may set eligibility for subsidy up to 85% of State Median Income (SMI), which varies among the states. For ease of comparison, SPDP translated state eligibility levels to their Federal Poverty Level (FPL) equivalent for a family of three based on 1999 standards. State initial eligibility levels for applicants vary from 125% of FPL (South Carolina) to 255% of FPL (Alaska). In addition, 8 states allow families to remain in the subsidized child care program until their income rises to a higher income limit. Of those states, Massachusetts has the highest exit limit at 278% of FPL.

**The TANF Child Care Protection**

The TANF statute prohibits states from reducing or terminating assistance based on the refusal of an individual to work if the individual is a single custodial parent caring for a child under the age of six, and the individual proves that he or she has a demonstrated inability (as determined by the state) to obtain needed child care, for one or more of the following reasons: unavailability of appropriate child care within a reasonable distance from the individual's home or work site;

unavailability or unsuitability of informal child care by a relative or under other arrangements; or unavailability of appropriate and affordable formal child care arrangements.

Less than half of the states (20) have not extended the TANF child care protection to categories of children or families beyond the federal minimum requirement. In the category of single custodial parents: 23 states implement the child care protection up to and including age 5, and 28 states extend the protection to families with children age 6 or older. Among the 28 states, 24 cover single custodial parent families with children up to and including age 12. Three other states (Maryland, California, and Rhode Island) set the age limit for the protection at a different age (ages 6, 10 and 13, respectively). One state (Texas) stated a policy that did not specify an age limit. Among those states that extended the TANF child care protection to other categories of families, 13 states extended it to two-parent families and 9 states to non-parent caretaker families. In addition, 14 states indicated that they extend the protection to families with children with special needs or a disability, and that children up to age 18 are included in this provision. Note that SPDP did not systematically collect this information on children with special needs from all states, therefore where a state does not explicitly note such a protection extension it does not necessarily indicate that such an extension does not exist in state policy.

CCDF regulations provide that CCDF lead agencies must inform parents about the TANF child care protection, including the procedures and criteria or definitions applied by the TANF agency to determine whether the parent has a demonstrated inability to obtain *needed* child care, including: 1) "Appropriate child care"; 2) "Reasonable distance"; 3) "Unsuitability of informal child care"; 4) "Affordable child care arrangements"; and the fact that the federal time limit clock will continue to run during the period when needed child care is unavailable. The regulation also provides that a state's biennial CCDF plan must include the definitions or criteria used by the TANF agency to implement the child care protection. The SPDP report provides definitions from 49 states. However, it is difficult to compare state definitions because slight differences in wording may or may not indicate major policy differences.

The majority of states defined "appropriate child care" as that which is appropriately licensed or regulated by the state, or legally exempt from such oversight. About a dozen states mentioned the importance of parental choice and/or the developmental needs of the child(ren) in defining appropriate care. A handful of states also consider whether the child care provider will accommodate the parent's work schedule.

Most states defined "reasonable distance" according to a specific time limit regarding the parent's commute, but vary in what part of a parent's commute is considered. Fifteen states place restrictions on how much time a parent may be expected to travel between home or work/activity site and the child care site (range of 30 minutes to 1 hour). About a dozen states specify that travel time from the home to the child care site and to the parent's work/activity site must be considered (range of 1 to 3 hours per day). One state requires that the full round trip commute between home, child care and work/activity site be equal to no more than 25% of the participant's work day. Other states either specified a limit on the number of miles parents could be expected to travel to their child care site, or provided other considerations (e.g. geographical region, customary travel time) for caseworkers to use in determining reasonable distance.

Over half of the states included some reference to meeting existing state law and regulation in order to be considered a "suitable" informal child care provider. About a dozen consider child development in judging whether informal care arrangements are appropriate. At least ten states say they consider the background of a potential informal care provider, such as a history of abuse or neglect. One state indicated that if the only care available was an informal provider legally exempt from licensing or regulation, the parent would not be required to place their child(ren) in this care.

In defining "affordable child care arrangements," most states make reference to the system of subsidized child care. For example, 11 states consider care paid for by state subsidy to be "affordable"; 14 states define affordable care as that which costs no more than the state's maximum reimbursement rate to child care providers in the subsidy system; 5 states define child care that costs no more than what is required under the state's published sliding fee scale as affordable. Other states set guidelines according to family income. Five states indicate that consideration of whether family income is sufficient to cover child care costs is necessary. Six states set a maximum percentage of family income that may be applied to child care costs, ranging from 10 to 25%. Two states indicate that affordable care for these TANF participants must be free.

In the next issue of CLASP Update, state policies on separate and segregated state programs will be described.

- For 50-state reports on child care policies, including information about subsidized child care assistance for TANF families, families transitioning off cash assistance, and low-income families, visit the SPDP website at http://www.spdp.org.

## LOS ANGELES COUNTY: NEW DIRECTIONS and EVALUATION

Los Angeles County has a history of testing welfare program changes as well as using the results of program evaluations to modify its programs. In the late 1980's, Los Angeles launched the GAIN program, which encouraged welfare recipients to return to school to improve their basic skills. In the 1990's, evidence from an evaluation of GAIN as well as other sources convinced the Department of Public Social Services (DPSS) that this approach was not helping most people find employment. As a result, the county replaced GAIN with Jobs-First GAIN, a program with a "Work First" approach. The program communicated clearly to clients that they were expected to find work as soon as possible and provided intensive job search assistance with a strong motivational component. The program also used the threat of sanctions—and their application—to enforce the Work First approach.

Two-year results from the Jobs-First GAIN evaluation now available from the Manpower Demonstration Research Corporation (MDRC) show that this approach produced improved gains in employment and earnings as compared to the original GAIN program. For example, according to the MDRC report, "Jobs-First GAIN increased employment among single parent AFDC recipients by 10 percentage points and earnings by an average of 26 percent relative to control group levels." These increases compare favorably with those achieved by the original

GAIN program, as well as several previously evaluated Work First programs and "are particularly impressive for a welfare-to-work program in a large urban area." Moreover, Jobs-First GAIN's net cost fell well below the cost of the education focused GAIN program.

However, the evaluation also documented some shortcomings in the program. Although experimental group members had higher earnings and Earned Income Tax Credit payments than control group members, these gains were almost counterbalanced by lower benefits and higher payroll taxes. As a result, the experimental group had only a very small increase in income. Since work usually entails increased expenses, most may have actually been worse off economically. Moreover, relatively few experimental group members were working at jobs that provided fringe benefits at the end of the second year of follow-up. And for reasons that were unclear, experimental group members reported a higher incidence of food insecurity than control group members. The program had no other statistically significant effects on indicators of health and well-being among those subject to the program. Moreover, it had no systematic effect on children's outcomes overall, disappointing those who thought that increased employment would have positive effect on the children. The Jobs-First GAIN report is available on the internet at http://www.mdrc.org/Reports2000/LA-GAIN/LA-GAINExecSum.htm.

In 1998, Los Angeles replaced Jobs-First GAIN with CalWORKS, California's welfare-to-work program under the 1996 welfare law. CalWORKS retained most of Job-First GAIN's services and messages but added time limits, enhanced work incentives, post-employment services, and special services to address mental health problems, substance abuse, and domestic violence. However, county policymakers recognized that the law gave them new resources and flexibility that allowed them to go beyond this set of initial changes toward a more holistic version of self-sufficiency that included the entire families of welfare recipients and the full range of their needs. The county Board of Supervisors responded to this opportunity in 1999 by initiating a comprehensive planning process that brought together the many agencies and organizations that seek to help low-income families. A guiding body, called the New Directions Task Force (NDTF) coordinated the development of a Long-Term Family Self-Sufficiency Plan. The NDTF, created in 1996 as a response to the Board of Supervisors' call for a coordinating body for welfare reform, is made up mainly of county human services agency heads. In April 1999, the Board of Supervisors instructed the NDTF to develop a Long-Term Family Self-Sufficiency Plan for TANF participants and working poor families with the purpose of creating strategies to stabilize families by building their capacity to become self-sustaining.

Two retreats and a series of workgroup meetings identified key indicators of self-sufficiency and recommended services to positively affect these indicators. Participants included representatives of public agencies and service providers, advocates, and researchers. These proposals, along with a few additional ones, were later combined into 46 projects which make up the five-year Long-Term Family Self-Sufficiency Plan. In total, the plan took six months to develop. Over 400 individuals participated in developing the plan. On November 16, the Board of Supervisors unanimously adopted the plan. All of the projects in the plan are based on four common themes:

- Where possible, services to families should support the family as a unit, rather than focusing on individual family members in isolation.

- Just as individuals live in families, families live in communities. Therefore, strengthening communities is an important element of strengthening families.
- Services are most effective when integrated at a community level.
- Focusing on positive outcomes for families is key to delivering effective services.

The plan also specifies five mandatory elements which are common to all the projects: each has an adequate evaluation design, does not duplicate existing services, is culturally and linguistically sensitive, does not supplant other funding, and addresses a clearly documented need. There are an additional ten "desirable elements" which are reflected in a majority of the projects, including proven effectiveness, focus on self-sufficiency, and leveraging other funding.

The 46 projects are grouped into eight key strategies: Promoting Self-Sustaining Employment, Ensuring Access to Healthcare, Supporting Stable Housing, Helping Teens Become Self-Sufficient Adults, Promoting Youth Literacy, Curbing Violence, Building Strong Families, and Integrating the Human Services Delivery System. For each project, the plan specifies an estimated cost over a five-year period, over and above what is currently being spent on continuing activities that are being incorporated into the various projects. The cost of the plan is $108.3 million per year for five years, all of which is federal TANF and state Maintenance-of-Effort funds.

Success will be measured by a list of 26 indicators based on the initial list developed in May 1999. Together, these indicators form an expanded definition of self-sufficiency addressing such issues as health, safety, economic and social well-being, and education/workforce readiness. Each project is associated in the plan with a list of the indicators which are expected to increase or decrease.

The plan contains many new initiatives as well as expansions or modifications of existing programs. Among the most innovative projects, according to Phil Ansell, who coordinated the planning process, is a new Welfare-to-Work Strategy for CalWORKS. This strategy was based on a review of the literature on welfare-to-work programs and is "an attempt to reconcile two competing truths," according to Mr. Ansell. "On one hand, programs like Jobs-First GAIN that help participants get paid work as early as possible produce better outcomes. On the other hand, such programs frequently result in low-paid jobs with limited opportunities to move up. Post-employment services, as initially designed, have frequently not worked because most poor mothers, who generally don't have cars, don't go to school at night after working full-time during the day." The new model replaces a welfare-to-work strategy which was basically a continuation of Jobs-First GAIN, encouraging quick job placement without much focus on the quality of the job. The new approach begins with a new Career Planning and Preparation Seminar to help participants develop a career goal and chart a path toward that goal instead of simply look for any job. This one-week seminar will be followed by a targeted job search. In

> In the first week, the client will look for a job that pays a living wage. In the second week, the client will look in designated industries which have the potential to lead to a living wage. If the first two weeks are unsuccessful, the participant will be encouraged to combined part-time work with education or training**.**

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Another innovative project is the establishment of a Family Inventory process which all CalWORKS participants will engage in before or during the new Career Planning and Preparation seminar. The inventories will be administered by multidisciplinary teams consisting of a GAIN (welfare-to-work) worker from the Department of Public Social Services, a children's social worker from the Department of Children and Family services, a public health nurse from the Department of Health Services, a probation officer, a mental health professional from the Department of Mental Health, and a school counselor. The purpose is to look at all aspects of a family's situation, not just the potential for the adult to get a job. For those families having human services needs beyond traditional welfare-to-work services, the team will develop an Integrated Case Plan and designate a lead agency to monitor implementation of the plan. According to Mr. Ansell, this project is innovative because it involves multiple agencies and goes outside the narrow perspective of the welfare system, which traditionally has not cared about factors that do not directly affect the adult's employability, such as a teenager belonging to a gang. The comprehensive nature of this project stems from the plan's broad definition of self-sufficiency. This project will be funded with a $7 million allocation over five years.

A third innovative project is a Community-Based Teen Services Program (costing $35 million over five years) designed to coordinate efforts of public schools, community-based organizations, county departments, and other public agencies to help teens in high-poverty areas avoid pregnancy, graduate from high school, read at grade level, and reject violence. According to Mr. Ansell, this program is notable for its focus on teens, who have been ignored by the welfare system in the past. Almost half of the teens in CalWORKS families are from families which have received welfare for seven years or more. Also worthy of note is the fact that the task force has not required a certain program design. Instead, it has laid out the outcomes it wants, but leaves it to the local communities to decide what programs to provide.

Among the other new initiatives included in the plan are an apprenticeship program for county government jobs, a business micro-loan and incubator program for CalWorks participants, a housing relocation assistance program, home visiting programs for young mothers, and the establishment of family resource centers with staff from several county agencies to serve families with multiple needs in 16 areas with high concentrations of TANF recipients. Other projects are expansions of existing initiatives, such as subsidized transitional employment for CalWORKS participants; community economic development initiatives; community outreach to increase access to health care; and expansion of emergency response teams for domestic violence. Also included is a summer youth jobs program to replace the previous program funded under the Job Training Partnership Act

According to Mr. Ansell, the success of the process was due to several factors. First, it was initiated in response to a request by the county's governing board, which gave it weight and legitimacy. Second, the plan was developed by a multi-agency taskforce rather than the welfare department. Finally, "By starting with the outcomes we wanted to achieve rather than how to achieve them, we were able to create a process that minimized self-interest and allowed participants in the planning process to focus honestly on what was most likely to work rather than try to manipulate the planning process so a particular agency would be funded." The task force has prepared a detailed description of the planning process and the plan itself, which is available on the internet at www.dpss.co.la.ca.us.

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- For more information about the planning process and the substance of the plan, contact Phil Ansell, Chief, Strategic Planning and Governmental Relations, Department of Public Social Services, (562) 908-8486, pansell@co.la.ca.us.

### RACE: Welfare Reform and Racial/Ethnic Minorities: The Questions to Ask

The effects of welfare reform on racial and ethnic minorities have received little attention. Yet evidence is emerging that impacts have been different for minorities than for whites, suggesting the need for further research.

Prior to the creation of the TANF block grant, research indicated that both blacks and Hispanics tended to have longer stays on welfare and therefore might be disproportionately affected by time limits. Data are scarce on the actual effects of these time limits on racial and ethnic minorities today. However, the predictions appear to be correct according to caseload trends that are now apparent. Overall, in FY 98, whites accounted for 32.7% of the total welfare caseload, while African Americans accounted for 39.0%, and Hispanics comprised 22.2%. The percentage of the caseloads that is white fell by about 8% from FY 96 to FY 98, while the percentage that is black rose by almost 5% and the percentage that is Hispanic rose by a little over 7%.

These data are consistent with two longer term trends: the percentage of whites in the caseload has been falling since the mid-1980s and the percentage of Hispanics has been rising since the early 1980s. There has been no clear trend in the black portion of the caseload during this period. Among the states, there is substantial variation regarding trends in racial and ethnic composition of cash assistance caseloads.

Studies designed to track the income and employment status of families who left the cash assistance caseload during the late 1990s yield a starker contrast between these subgroups. A Wisconsin study in 1995-1996 reported that 61 percent of the white families receiving assistance left the caseload, compared to 36 percent of the black families. An Arizona study found that while blacks made up 34 percent of open cases, they were only 8.5 percent of all families that left the caseload during that quarter. The picture for Hispanic respondents is much less clear-cut, with studies from some states showing them leaving the caseload in disproportionately large numbers, while studies from other states reveal opposite results.

Studies in Arizona, Georgia, and Cuyahoga County, Ohio show that shortly after leaving welfare, the percentages of blacks who are employed exceed the percentages of whites who are employed, and results from Arizona, Cuyahoga County and Wisconsin reveal that blacks have somewhat higher quarterly earnings than whites. However, studies in those same areas also showed that a much higher percentage of blacks returned to welfare within one year of leaving, compared to whites who left. The data for Hispanics vary considerably on all of these measures from one state study to another.

Data from Illinois, Florida, and Virginia raise more troubling implications. Analysis of Illinois data by the Chicago Reporter found that minority recipients' cases were closed for different reasons than white recipients' cases. For example, 54 percent of minority cases, but only 39 percent of white cases, closed because the recipient failed to comply with program rules.

Similar data are reported in a study of recipients in rural Florida who left welfare between October 1996 and December 1998, carried out by the Florida Inter-University Welfare Reform Collaborative. Responses to the survey of 115 former recipients indicated that 53 percent of whites, as compared to 32 percent of blacks, found a job; 8 percent of whites and 22 percent of blacks were disqualified for non-compliance with program rules; 6 percent of whites and 17 percent of blacks chose to reject welfare status.

Finally, a Virginia Tech study undertaken in two rural counties in Northern Virginia asked 39 recipients about their interactions with caseworkers. Respondents' views varied significantly by race. Fifty-nine percent of whites, but only 36 percent of blacks, indicated that their caseworkers were often or sometimes helpful in providing information about potential jobs. Forty-one percent of whites indicated that caseworkers encouraged them to go to school, particularly if they had not received a high school diploma. None of the blacks indicated that a caseworker had encouraged them to go to school. One white respondent stated: "They encouraged me to get my GED. I've been in school since October, working on the GED. I hope to graduate in the spring. My worker kept telling me 'You're smarter than you think.' She really convinced me that I could do it." A black respondent stated: "They talk to you any kind of way. They say: 'Go get a job.' I told them that I only had

**Racial and Ethnic Disparities Detected in Access to Health Care and Health Insurance** are described in a new report released by the Henry J. Kaiser Family Foundation and the UCLA Center for Health Policy Research. Overall, racial and ethnic minority groups are less likely to have job-based health insurance coverage than non-Latino whites and consequently are much more likely to be uninsured. Among all of the groups studied in the report, Latinos have the highest rate of being uninsured, with over one-third (37%) of all Latinos without health insurance. The rate of uninsured Latinos is about two and a half times the rate for whites, which is 14%. Comparatively, about 23% of African Americans and 21% of Asian Americans and Pacific Islanders are uninsured. The uninsured rates for minority children are "well above" the rate for white children, and generally mirror those of the nonelderly minority groups.

- Excerpted from the Kaiser Family Foundation Press Release. The full report is available at www.kff.org/content/2000/1525/UCLAReport.pdf.

two parts left on my GED and I wanted to finish, they said: 'That's not what this program is about.'"

About two-thirds of all respondents in this Virginia study indicated they had transportation barriers, and all respondents indicated that the welfare agency provided vouchers to pay for gasoline to those who needed them. However, 47 percent of whites indicated that caseworkers indicated they would provide additional forms of transportation assistance, while none of the blacks reported receiving such offers of help.

Taken as a whole, this body of research raises many questions about the effect of changes in welfare policy on members of racial and ethnic minorities, and their treatment by welfare agencies. A new research agenda could address these issues and help ensure that welfare reform will not continue to have racially disparate outcomes.

- This article is edited from a longer article by Steve Savner of CLASP which appeared in *Poverty and Race*, Poverty and Race Research Action Council, Volume 9, Number 4, page 3 (July/August 2000) available at http://www.prrac.org/newslet.htm.

## REPRODUCTIVE HEALTH NEWS

### Making the Link: NY Planned Parenthood Helps Clients Obtain Medicaid and CHIP

"Making the Link" is a series of periodic reports from CLASP about efforts to integrate reproductive health information and services with other social service systems.

Reproductive health care facilities such as local Planned Parenthood clinics serve as the major source of health care for many women, especially low-income women. However, Planned Parenthood of New York City (PPNYC) has been struggling to continue providing this important service in an era when the number and percentage of its clients with health insurance coverage has been dropping considerably. Between 1992 and 1998, PPNYC saw a nearly 186% increase in the number of Title X sliding scale visits from clients who had no health insurance of any kind. During this period, the number of visits that were covered by Medicaid dropped by more than 25%. The percentage of PPNYC patients having commercial insurance has decreased from 23% in 1997 to about 8% currently.

Based on the data it collects from its patients, PPNYC staff suspect that many Medicaid-eligible women never obtain or have lost Medicaid coverage. The decline in Medicaid enrollment may be in part due to the 1996 welfare law, which "decoupled" Medicaid eligibility from cash assistance. "As a result of this decoupling," explains Alice Berger of PPNYC, "people do not automatically become eligible for Medicaid when they become eligible for cash assistance. They must apply separately to the Medicaid program." The welfare law also raised eligibility standards for public assistance. This caused many people to lose Medicaid when they were still eligible. "Apparently, many beneficiaries were not clearly informed that they were still eligible for Medicaid even though they had lost public assistance benefits," said Ms. Berger. "As a result, many did not recertify their benefits at a city Medicaid office, and others who tried to do so met with obstacles." In addition, some people have lost Medicaid because they have found jobs, which may have put them over the Medicaid income eligibility threshold although they are still poor, yet may not provide health insurance coverage or may provide such coverage but with prohibitive copayments.

The increasing number of women without health insurance has strained PPNYC's budget. These women are never turned away and are receiving family planning and gynecological services on a sliding fee scale depending on income, using Title X funds. However, these funds have not been increasing to keep up with the increased demand for subsidized care. In order to address this problem, and because staff suspected that some uninsured patients were actually eligible for Medicaid, PPNYC developed the Entitlement Advocacy Project (EAP).

The EAP provides an entitlement counselor in each of PPNYC's three centers to help uninsured clients obtain Medicaid or Child Health Plus, a state insurance program for young people under age 19. When clients call the centralized appointment line, they are asked how they will pay for their visit. If they say they don't know, the customer service representative tells them that there are entitlement counselors at all PPNYC centers who are available to talk about eligibility for Medicaid and Child Health Plus. The caller is then transferred to the entitlement counselor, who does a phone screening. If the caller sounds like a good candidate for Medicaid or Child Health Plus, the counselor sets up an appointment and tells the client what documents to bring. Depending on the client's proximity to the center and the urgency of her case, she may be able to have her medical appointment on the same day. When the client comes in, the entitlement counselor works with her to complete the Medicaid application. Finally, the entitlement counselor brings the Medicaid applications to the Medicaid office. "This step is particularly important," says Ms. Berger, "because we can really facilitate the process at the Medicaid office, where the bureaucracy can be daunting for a patient."

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The EAP is based on an approach used by providers participating in New York State's Prenatal Care and Assistance Program (PCAP), which provides expanded Medicaid coverage for pregnant women. PCAP providers help their clients fill out Medicaid applications and then bring the applications to the Medicaid office, so that the clients do not have to make the extra trip. In order to implement the EAP, PPNYC had to obtain approval from the city's Human Resources Administration (HRA), which administers Medicaid. The entitlement counselors received extensive training in the Medicaid application process by the New York City Human Resources Administration and the Children's Aid Society.

The entitlement counselors were chosen for their exceptional communications and interpersonal skills, as well as their attention to detail. "It takes a very particular kind of person," says Ms. Berger, "One who is very organized and good with detail but has the sensibility to reach out and work through issues." Three of the entitlement counselors are bilingual in Spanish and English, and one is a Russian speaker. It is also really critical, according to Ms. Berger, that the entitlement counselors must not have other duties. "Part of what makes this work is their availability at the time that clients call and come in."

According to Ms. Berger, the EAP has been a smashing success. Since it was implemented last October, about 1,200 clients have been found eligible for Medicaid through this screening and assistance process. The program has more than paid for what it cost, which is mostly salaries. The resulting Medicaid reimbursements have allowed PPNYC's other funds to be used to serve other people who are not eligible for Medicaid, such as certain immigrants and those who have lost commercial coverage. While other providers of prenatal care are screening for Medicaid and/or CHIP eligibility on site, PPNYC may be the only family planning provider in New York using this sort of on-site screening and client assistance process.

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PPNYC is now in the midst of a marketing campaign to inform its remaining uninsured clients about their possible eligibility for coverage. The theme of this campaign is "No health insurance? We've got you covered." With funds from the New York State Health Department, PPNYC produced a full array of materials, including posters, palm-sized cards, appointment cards and brochures. Later this year, PPNYC hopes to add bus and subway ads to reach out to new clients.

In several ways, the effectiveness of the EAP is limited by Medicaid policy. The program has benefited mainly pregnant women, not women who are seeking family planning services to avoid pregnancy. This is because pregnant women are eligible for prenatal care under New York's Medicaid program at incomes up to 185% of the poverty level (soon to increase to 200%) and for state-funded abortions at incomes up to 100% of the poverty level. Women who are not pregnant--especially those who do not have children--need to have incomes so low that very few women qualify. Of the 1,200 clients who have been determined eligible under this process, only 10 to 15 have not been pregnant. Adolescent women who are not pregnant face a different problem. Those under 20 must provide information about their family's income in order to be determined eligible. But many of these teens do not want to tell their parents that they are getting family planning services, and so they do not apply for Medicaid. These teens are served using Title X funds, but these funds are already severely stretched. Another issue concerns immigrant women. Although all immigrant women are eligible for pregnancy-related services, many are not eligible to receive Medicaid-funded gynecological and family planning services due to changes made by the 1996 welfare law. Another problem posed by current Medicaid law is that the annual "recertification" or redetermination of eligibility must be done face-to-face in the Medicaid office. This is a major barrier to continuing Medicaid eligibility: over 50% of clients lose coverage at recertification.

Non-pregnant women could begin to benefit from the new eligibility determination process if the US Department of Health and Human Services approves New York State's application for a Medicaid waiver so that single, non-pregnant women can be eligible for Medicaid-funded family planning services at incomes up to 200% of the poverty level. PPNYC and others are working with the state to encourage the use of its on-site eligibility model statewide if the waiver is approved. If this waiver is approved, then PPNYC will probably be able to serve many more women with Medicaid funds. However, this will not necessarily solve the problems of adolescents, immigrants, and those who fail to recertify their Medicaid eligibility. PPNYC has contracted with The Legal Aid Society for cases where staff felt Medicaid was incorrectly denied. Because PPNYC recognizes that it cannot enroll all of the uninsured, it is also advocating for changes to the Medicaid program, reports Ms. Berger. "It has always been our intent to press for changes in the way Medicaid is administered. PPNYC continues to testify and speak out on behalf of simplifying the eligibility process and determining eligibility at the place where services are provided."

- For more information, contact Alice Berger at (212) 274-7373 or alice.berger@ppnyc.org.

**"SECOND CHANCE HOMES"-ADMINISTRATION ACTS to ASSIST TEEN PARENTS**

In an effort to expand the number of "second chance" homes for teen parents, President Clinton has directed the Department of Health and Human Services to collaborate with the Department of Housing and Urban Development (HUD) on a set of initiatives. Second chance homes help teens who cannot live with their own parents by serving as supportive adult-supervised living arrangements. These homes offer services to teen parents such as job counseling, education, parenting skills, and other referrals to help reduce repeat pregnancy and improve the quality of life for teen parents and their children. Some homes also attempt to reach out to teen fathers in an attempt to involve them in responsible parenting and help them reconnect with their own parents.

As directed by the President, collectively the DHHS and HUD will be responsible for working with non-profit organizations and state and local governments on a variety of implementation needs and initiatives. HHS and HUD have been assigned the following responsibilities:

- Provide user-friendly information detailing existing funding sources for facilities, services costs, creation, and expansion of second chance homes; offer best practices concerning user design; and raise awareness about the second chance model by issuing guidance to non-profits, and state and local governments, emphasizing states' responsibility to provide minor parents who cannot live at home with adult-supervised living arrangements.

- Establish a joint technical assistance effort for communities opting to expand or create second chance homes.

- Assist organizations interested in developing second chance homes with accessing foreclosed, underutilized, and surplus real estate at the greatest possible discount.

- Encourage second chance home operators to allow housing voucher holders into their program, and confirm that low-income housing vouchers may be available to teen parents in second chance homes.

The Clinton Administration has focused on second chance homes prior to this directive. Specifically, the Clinton Administration's FY 2001 budget included an investment of $25 million for the creation and expansion of second chance homes. The 1996 welfare law mandates that minors, with few exceptions, must live with adults; the law, however, did not include funding for second chance homes. In an interview with CLASP Update, Kathy Reich, the Policy Director of the Social Policy Action Network and author of numerous articles on second chance homes, discussed the status of this funding, as well as the significance of the second chance homes. As of publication, Congress has yet to provide Clinton's suggested funding for the second chance homes, and it appears that this investment will not be included in the Social Services Block Grant. However, Reich indicated that there have been some negotiations to find funding for this program elsewhere. Reich indicated that it is possible that HUD will allocate some money for this project as a part of their Supportive Housing Program. Although the status of second chance homes funding is uncertain at present, Reich believes that the future is fairly promising since both presidential candidates are supportive of such homes for teen parents, and there has been some talk of addressing the issue in the TANF reauthorization scheduled for 2002.

Early studies from existing second chance home programs point the potential significance of this initiative. "Second chance homes serve a small but extremely vulnerable population," Reich explains. "These homes can provide a safe and nurturing environment for teen mothers and their children who have no other place to call home. Early research has indicated that the homes help prevent repeat pregnancy, enable teens to complete high school and teach them about good parenting."

- Excerpted from a White House August 12 Memo on Second Chance Homes for Teen Parents, US Newswire, available at http://www.pub.whitehouse.gov/uri-res/I2R?urn:pdi://oma.eop.gov.us/2000/8/14/1.text.1 Full texts of several of Ms. Reich's articles on second chance homes are available at http://www.span-online.org.

## FAMILY CAP LITIGATION: UPDATE

**In California**, litigation challenging aspects of the state's Maximum Family Grant (family cap) has been settled and changes that will help teen parents and their families are to be implemented. In March, the Western Center on Law and Poverty, the National Center for Youth Law and the American Civil Liberties Union filed a class action law suit challenging the application of California's family cap rules to first time teen parents. At issue was the state welfare department's interpretation of the advance notice requirement of the state's "Maximum Family Grant" (MFG) statute. The law is intended to discourage welfare recipients from having more children. It provides that a baby will not be added to a family's grant if it is born to a family that has been receiving benefits continuously for ten months.

The department has applied the maximum family grant to teenagers who give birth although these teens received no advance notice and the notice sent to parents did not explain that the rule would apply to children in the unit who give birth. If the teenager or the grandmother applied for a TANF grant for the newborn, he or she was denied if the family had been receiving benefits continuously for the ten months prior to the birth.

The MFG rule is intended to change the behavior of welfare recipients and because of the potential harmful consequences for the family the legislature specified that the rule "shall not apply" unless prior notice is provided to the affected recipient. The law directs that the advance notice "shall state explicitly the impact" of the rule on the family to whom it is being applied. Likewise, the regulations specify that the rule applies only if the family received notice of it at least ten months before the birth of any child. Because the purpose of the rule is to influence childbearing decisions, advance notice is crucial. Therefore, the class argued, when it is applied after the fact without warning it is merely a penalty.

Up until now, DSS policy had been to provide notice only to the heads of household. However, the notice did not explicitly state that the MFG would apply to births to teenage children. The MFG statute requires that all "applicants" and "recipients" of CalWORKS (TANF) benefits are given advance notice. Therefore, the class argued first that even though some information was provided to the heads of households, it was not adequate because it was not clear that it would apply to their children's babies. Further, the teens in recipient families were not given any notice at all that the law applied if they had children.

According to Clare Pastore of the Western Center, the settlement, which is expected to secure court approval imminently, includes three key improvements:

- Written notice will be provided annually, not just once in a lifetime;
- Notices will be rewritten to make clearer that MFG applies to teens living at home;
- The MFG will not apply to children born to teens living at home once the teen turns 18 and starts her own case.

➢ For further information, contact Clare Pastore at the Western Center, (213) 487-7211 ext. 25 or CPastore@wclp.org

**In New Jersey,** a lawsuit challenging the child exclusion provision of New Jersey's welfare law, was rejected by a state trial court judge on August 30. In *Sojourner A. v. The New Jersey Department of Human Services* lawyers for NOW Legal Defense and Education Fund and the American Civil Liberties Union of New Jersey Foundation maintained that the provision violates the equal protection and privacy guarantees of the New Jersey Constitution.

New Jersey was the first state to enact a "child exclusion" or "family cap". The 1992 provision denies cash assistance for a recipient's newborn: any child born to a mother who already has one child while on welfare is denied the $102 per month that was provided prior to August 1993. Babies born to mothers with two children are denied the $64 per month that would have been provided to them before the Child Exclusion was passed.

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Lawyers for the plaintiffs argued that the child exclusion violates a woman's fundamental right to privacy by coercing her decisions about childbearing. They cited a November 1998 Rutgers University study which found that the abortion rate among welfare recipients increased in the period after implementation of the Child Exclusion despite a general decline in the abortion rate among the general population. The study also found that the provision had no positive impact on recipients finding employment or increasing earnings, and that the birth rate dropped.

In arguing that the child exclusion provision harms excluded children and their families, plaintiffs' lawyers presented expert testimony explaining how insufficient benefits lead to hunger and undernutrition, homelessness, utility shut-offs, lack of adequate winter clothing, and lack of medical care among poor families. For example, Dr. John Cook, an Assistant Professor at Boston University School of Medicine's Department of Pediatrics and an expert on child poverty, said in a sworn statement: "…A policy such as New Jersey's which [excludes] children from basic subsistence benefits due solely to the timing of their conception or birth, when coupled with the extremely low income of their household, will result in increased hunger among those children and may lead to serious and possibly permanent damage to their health, cognitive impairments, physical weakness, anemia, stunting and growth failure."

The written opinion of New Jersey State Court Judge Anthony J. Iuliani of the New Jersey Superior Court is not yet available.

- For more information contact, Sherry Leiwant at NOW Legal Defense and Education Fund, (212) 925-6635, sleiwant@nowldef.org

**In Indiana**, the appellate court has affirmed the lower court decision upholding against constitutional challenge Indiana's family cap policy under which a TANF cash grant increase is not provided for a child born to a TANF recipient ten or more months following the month in which the family began receiving benefits. There are limited exceptions to the rule, and families subject to the cap are eligible for other benefits, including vouchers for food items through WIC, Food Stamps, and Medicaid. The policy was originally adopted as part of an AFDC waiver project.

The court applied the rational basis test and held that the policy does not violate the Equal Protection Clause of the U.S. Constitution. It rejected arguments that strict scrutiny should apply because the policy penalizes families for exercising their fundamental right of family association. Instead, it found that the policy was rationally related to the state's interest in providing TANF recipients with incentives similar to those of working people to encourage individual responsibility and to strengthen and stabilize the family. As to the state's different treatment of families subject to the experimental family cap policy and those in the control group who were not subject to the cap, the court held that the state has a legitimate interest in studying the effects of welfare reform.

The court likewise rejected claims that the policy violates the state and federal substantive due process which requires a finding that the policy infringes on a fundamental right or liberty or that the law is not rationally related to a legitimate government purpose. In relying on the conclusions it reached on the Equal Protection claims, the court rejects arguments that the policy unfairly punishes children for their parents' behavior. Its decision relies on, among other cases, C.K. v. Shalala, 92 F. 2d 171 (3rd Cir.1996) in which the federal appellate court upheld New

Jersey's family cap. Plaintiffs' counsel reports that they have filed a petition for transfer to the State Supreme Court.

- This article was reprinted with permission from the Welfare Law Center's *Welfare Bulletin*, March/July 2000. For further information, contact the plaintiffs' attorneys: Jacquelyn E. Bowie, Indiana Civil Liberties Union, 1031 East Washington Street, Indianapolis, IN 46202-3952, tel. 317 635-4059; fax 317-635-4105, email: iclu@aol.com.

## STATE SPENDING of 1999 OUT Of WEDLOCK BONUS

In 1999, four states and the District of Columbia were awarded $20 million each in bonuses for achieving the nation's largest decreases in out-of-wedlock births between 1994 and 1997. The awardees were Alabama, California, the District of Columbia, Massachusetts, and Michigan. The bonuses were awarded on the basis of each state's reduction in the proportion of out-of-wedlock births to total births. The states must then demonstrate a decrease in abortion, as measured by the number of abortions divided by the number of births.

In February 2000, CU reported how some of the states would be using the awards. Recently, CU followed up with contacts in Michigan and Massachusetts whose decisions were not public when we previously reported on the use of the bonus money.

Michigan's Governor Engler announced on July 21, 2000 that up to $8 million will be used to reduce teen pregnancy rates in eight school communities in Michigan. The state chose communities where the teen pregnancy rates are much higher than the state average in efforts to make progress in those communities. Over a two-year period, up to $1 million will be available to each of the eight school communities. Projects that the funds are used for may include abstinence education, before and after school programs, parental involvement and communication training, school health services, home visitation, nursing and counseling, volunteering, child support curriculum, and parenting responsibilities.

The programs begin in the 2000-2001 school year. Over the course of the two-year project, communities may receive a bonus payment. If the communities are able to achieve a 10 percent improvement in community teen pregnancy rates, the school would receive $300,000. For a 20 percent improvement, the payment is $400,000 and for a 30 percent improvement, the school receives $500,000. No other public announcements have been made with regard to the use of the remaining $12 million portion of the bonus.

In Massachusetts, the out-of-wedlock bonus becomes part of the TANF "pot" and is not accounted for separately. The state spent $4.7 million of state funds on teen pregnancy prevention in Fiscal Year 2000. In the current fiscal year, spending on this area will increase to $5.5 million, of which $4.9 million is TANF funds. Thus, state funding for the program has been cut from $4.7 million to about $500,000. This type of "supplantation" of state funds by TANF funds is of concern to advocates of teen pregnancy prevention and other programs because if Congress reduces TANF funding in the future it leaves the program without a funding base. As Margaret Carels of Massachusetts' Alliance of Young Families puts it, " While we are very pleased to see an increase, having the state dollars supplanted with TANF dollars is scary, because legislators have short memories, and when the TANF funding disappears, the program will likely disappear too."

- For more information, see also CLASP Update of July and February 2000.

## COUPLES/MARRIAGE

### NONSTANDARD WORK SCHEDULES and MARITAL INSTABILITY

Married couples in which one or both spouses work odd hours are more likely to separate or divorce because of marital distress according to a University of Maryland study published in the *Journal of Marriage and the Family* in February. In addition, researchers found that situations involving children are even more complicated, especially if the wife works in the evenings.

The paper examined the question of the impact of nonstandard schedules on marital stability, and whether or not the type of shift - evening, night, rotating- or which spouse works the schedule, influences the effect. The study begins with the premise that our society is moving toward a 24-hour, 7-day-a-week economy where at least one in five employed people works mostly in the evening, night, or on weekends. More importantly, among two-earner couples one in four includes at least one spouse who is a shift worker and one in three if they have children.

The researchers hypothesized that working nonstandard schedules would increase the likelihood of separation and divorce because it affects the ability of couples to spend time together and develop strong commitment to their marriage. Further, that employment in the evenings or at night increases the likelihood of marital disruption especially when it is the woman working. The study was conducted through an examination of a subset of the respondents who participated in the National Survey of Families and Households in 1987 and 1992.

The hypothesis held under certain conditions. The researchers found that it was the night and rotating shifts of women that increased the odds of marital instability most significantly, and this was for couples with children. Interestingly, they also found that although husbands participate more in household tasks in nonstandard hour situations, wives still assume the majority of such tasks.

- "Nonstandard Work Schedules and Marital Instability" by Harriet B. Presser is available online at http://ncfr.allenpress.com/ncfronline/?request=get-pdf&issn=0022-2445&volume=062&issue=01&page=0093.

### New Research Finds Single Fathers Poorer, Less Educated than Married Fathers

Single fathers raising children, including fathers living with a partner outside of marriage, are generally worse off economically than married fathers, according to a recent article published in the most recent issue of *Marriage and Family Review*. They also tend to have less education and are more likely to be receiving some form of public assistance. The article, "The Single-Father Family: Demographic, Economic, and Public Transfer Use Characteristics," by Brett B. Brown, Ph.D of Child Trends draws on data from the March 1997 Current Population Survey (CPS).

The following findings, as excerpted from a Child Trends press release, highlight the disparity between single and married fathers and reveal important characteristics about single-father families:

- More than 2.1 million families were headed by unmarried fathers in 1998, an increase of more than 50 percent since 1990. Among all single parent families, almost one in five are headed by a father.
- Almost three-quarters of non-cohabiting single fathers are divorced or separated.
- Most single fathers are heads of their own household, although 14 percent of non-cohabiting single fathers live in a household headed by their parents or another relative.
- Single fathers raising children are less educated than married fathers. More than half of married fathers have education beyond high school, compared to 37 percent of non-cohabiting single fathers and 27 percent of cohabiting single fathers.
- Single fathers have much lower incomes than married fathers and are more than twice as likely to be poor. They are less likely than married fathers to work full-time, year-round, and less likely to be working long hours.
- Many single-father families receive some form of public assistance. Almost half of cohabiting single fathers and 64 percent of non-cohabiting single fathers received the EITC (Earned Income Tax Credit) in 1997. Very few received child support.
- Between 1984 and 1996, the differences in education and income between men who are single fathers and men who are married fathers increased.

➢ To obtain a reprint of "The Single-Father Family: Demographic, Economic, and Public Transfer Use Characteristics" by Brett Brown, call Amber Moore at (202) 362-5580, extension 126.

➢ In addition to Brown's work on single fathers, Child Trends has produced a series of research briefs summarizing key findings on fathers. The briefs are available on Child Trend's website at http://www.childtrends.org.

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# CLASP*Update*

**A CLASP Report on Welfare Developments**

**Jodie Levin-Epstein, Editor**

**October 2000**

## STATE POLICY DOCUMENTATION PROJECT:
## Separate State Programs and Segregated State Funds within TANF

The State Policy and Documentation Project (SPDP), a joint project of CLASP and the Center on Budget and Policy Priorities, tracks TANF policy decisions in the 50 states and DC. The project collects information on state policy, not practice (as of October 1999).

Under TANF, a state can choose to satisfy its Maintenance of Effort (MOE) obligation, in whole or in part, through the use of separate state programs, i.e., programs for needy families that meet an allowable MOE purpose, but which receive no federal TANF funds. Most TANF requirements – e.g. federal participation rates, time limits, and requirement to turn over child support – are inapplicable to families receiving assistance in separate state programs. A state might use a separate state program, for example, to provide access to post-secondary education outside of the TANF structure.

In addition to (or instead of) using separate state funds, a state may provide assistance to a family or groups of families in the states TANF program with state funds that are segregated from federal TANF funds. One reason a state might wish to do so is that any month in which a family is assisted with segregated state funds does not count against the 60 month limit on use of federal TANF funds. In addition, certain prohibitions that apply to use of federal TANF funds don't apply to assistance with segregated state funds. A state might use

**INSIDE…**



Contributors: Marie Cohen, Janellen Duffy, Paula Roberts, Steve Savner, Rachel Schumacher

segregated state funds, for example, in order to implement a policy under which families in which a parent is working in unsubsidized employment can receive TANF without having those months count against the time limit. Or, a state might wish to use segregated state funds to provide assistance to teen parents who are not able to satisfy the requirements for school attendance or living arrangements in order to receive federally funded TANF assistance.

States' utilization of segregated state funds and separate state programs to better meet state policy objectives is an area of rapidly evolving policy. For this reason we have supplemented data collected through SPDP surveys with information included in HHS's Second Annual Report to Congress on the TANF Program. (HHS August 1999) Even with such supplementation, however, this report should be viewed as a partial listing which may not accurately reflect all of the state activities in this area at the current time.

SPDP has identified 26 states that have established one or more separate state programs to provide cash income support to families. The most common category of families served under such programs is two-parent families. Over half of the 26 states that have established separate state programs use these programs to serve two-parent families. Separate state programs, like those in D.C. and Maryland, are also used to serve families in which a parent or child is disabled. Other programs serve families in which a parent is participating in an approved post-secondary education program, such as Maine's Parents as Scholars program. SPDP has also identified 15 states that provide cash assistance to some categories of families with segregated state funds within the state's TANF cash assistance program. For example, some states, including Delaware, Illinois, and Rhode Island, provide cash assistance with segregated state funds to families in which an adult is employed. Some states, such as Illinois, use segregated state funds to provide cash assistance to those participating in an approved post-secondary education program, while other states provide assistance to certain categories of immigrants.

➢ For 50-state reports on separate state programs and segregated state funds within TANF as of Oct.1999, visit the SPDP website at http://www.spdp.org. The Third Annual Report to Congress, available at http://www.acf.dhhs.gov/programs/opre/annual3.doc, provides updated information regarding state policies on segregated funds and separate state programs.

## TANF HIGH PERFORMANCE BONUS: Final Rule Issued

The final rule implementing the 1996 federal law provision that authorized bonuses to high-performing states in meeting the purposes of the Temporary Assistance for Needy Families (TANF) program is out. The law that established the program in 1996 included a provision for such bonuses (42 U.S.C. § 603(a)(4)). The proposed rule to implement this provision drew 130 comment letters. On August 30 the U.S. Department of Health and Human Services (HHS) published the final rule, effective beginning fiscal year 2002 and beyond. HHS previously issued program guidance covering the award years through 2001.

The high-performance bonus for fiscal year 2002 and after will be based on four work measures; five measures that support work and self-sufficiency related to participation by low-income families in the Food Stamp Program, participation of former TANF recipients in the Medicaid and

State Children's Health Insurance Programs (SCHIP), and receipt of child care; and one measure on family formation and stability (increase in the number of children in the state who reside in married-couple families). States have the option to compete on one, any number of, or none of the measures. Bonus funds up to $200 million each year are authorized for fiscal years through 2003. The amount awarded to each high-performing state may not exceed 5 percent of the state's TANF block grant.

**Work measures.** HHS will allocate and award $140 million to the ten states with the highest scores for each work measure. The four work measures are the job-entry rate, for which $56 million is allocated for distribution; success in the work-force rate with $35 million; increase in the job-entry rate with $28 million; and increase in the success in the work-force rate with $21 million. The success in the work-force rate is composed of two equally weighted submeasures: the job-retention rate and the earnings-gain rate.

**Measures that support work and self-sufficiency.** The five measures supporting work and self-sufficiency consist of two on food stamps, two on Medicaid/SCHIP, and one on child care participation. HHS received mostly positive comments on including state performance measures as they relate to food stamp and Medicaid/SCHIP participation. Although the department also received negative comments, mostly from state agencies and organizations representing states, it decided to retain the food stamp and Medicaid/SCHIP participation measures in order to reward states not just for employment successes but for their efforts to support low-income families who have left TANF in the transition from welfare to work and out of poverty. Nationwide the decline in participation in the food stamp and Medicaid programs and the slow growth in the SCHIP/KidCare program have been cause for concern. Not anticipating the decline in participation, Congress, in fact, demonstrated its interest in maintaining food stamps and Medicaid as part of the safety net.

Advocates recommended two measures not included in the proposed rule: child care and domestic violence. HHS did include child care in the final rule, but not a measure for how well states address domestic violence. The department rejected a domestic violence measure mainly because, it claimed, no data were readily available to support an outcome rather than a process measure, and additional data collection that would make it possible would be too burdensome for the states. It also referred to its other efforts on the domestic violence front, including the Family Violence Option which, if adopted, provides states with penalty relief when states fail to meet the numerical standards for time limits and the work participation rates because of good-cause domestic violence waivers granted to battered women.

**Food stamps.** HHS will allocate and award $20 million for the two food stamp measures. A total of $6 million will be awarded to three states with the highest number of low-income children (i.e., households with children under age 18 and with an income less than 130 percent of the federal poverty level and earnings equal to at least half-time, full-year minimum wage) receiving food stamps as a percentage of the number of low-income working households with children in the state. A total of $14 million will be awarded to seven states with the greatest improvement in the number of low-income working households with children receiving food stamps as a percentage of the number of low-income working households with children in the state.

HHS adopted suggestions that the food stamp bonus should be based on statewide measures rather than numbers of individuals leaving TANF and that a larger share of bonus money should go to reward states with the greatest improvement in the number of low-income households receiving food stamps than to states with the highest numbers of food stamp recipients. But the department rejected suggestions that a larger total amount of bonus money should be available for food stamp efforts and that the measure should be based on all households and not just households with earnings.

**Medicaid/SCHIP.** HHS will allocate and award $20 million for the two Medicaid/SCHIP measures. A total of $6 million will be awarded to three states with the highest number of individuals who are receiving TANF benefits and are also enrolled in Medicaid or SCHIP, who leave TANF in a calendar year and are enrolled in Medicaid or SCHIP in the fourth month after leaving TANF assistance, and who are not receiving such assistance in the fourth month as a percentage of individuals who left TANF in the fiscal year and are not receiving such assistance in the fourth month after leaving.

A total of $14 million will be awarded to seven states with the greatest improvement in the number of individuals who are receiving TANF benefits and are also enrolled in Medicaid or SCHIP, who leave TANF in a fiscal year and are enrolled in Medicaid or SCHIP in the fourth month after leaving TANF assistance, and who are not receiving such assistance in the fourth month as a percentage of individuals who left TANF in the fiscal year and are not receiving such assistance in the fourth month after leaving.

**Child care.** HHS will allocate and award $10 million to the ten states with the highest-performing child care subsidy programs. The department did so in response to comments criticizing it for not apportioning part of the bonus to child care performance in its proposed rule. In changing its position, the department concurs that child care subsidies are an essential support for working families and a critical part of a successful welfare reform program.

The child care portion of the high-performance bonus will be based on a composite ranking of state performance on three measures: accessibility, affordability, and quality. Accessibility will be measured by the percentage of federally eligible children (i.e., in families below 85 percent of state median income) receiving a subsidy; affordability, by comparing assessed family copayments to family income; and quality, by comparing provider reimbursement rates to the market rates.

Weighted measures will be used, with accessibility given the most weight and quality the least. Quality will not be included until the second year of the program because comparable state data are not yet available. Only states that spend all of their federal child care matching funds will be eligible to receive the bonus.

**Family formation and stability.** The family formation and stability measure will rank states on the increase in the percentage of all children who reside in married-couple families, regardless of income. Only states competing in this measure will be ranked. The allocation for this measure is $10 million. Some commentors had urged HHS to base this measure on a universal population, rather than just on low-income families. The department agrees that this makes it more consistent with the out-of-wedlock birth bonus, which, by statute, is based on all out-of-wedlock births and not just those to low-income mothers.

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## CHILD SUPPORT: A New Model Paternity Act Is Approved

There are many advantages to children in having their parentage established. Making the link can bring financial and emotional support as well as valuable information about family medical history. Resolving parentage issues also has implications for the welfare system. If paternity is not established, a child is not entitled to financial support, and may need Temporary Assistance to Needy Families (TANF), Food Stamps, and Medicaid or S-CHIP.

In the last twenty years, there has been a major change in the paternity establishment process. Through Title IVD of the Social Security Act, Congress has prodded states to set up simple voluntary acknowledgment programs and to streamline the contested case process. It has also provided a system of financial rewards for states that do a good job in establishing paternity and penalties (through cuts in TANF and child support program funds) for those which do not.

While these changes have brought a degree of uniformity, there are still significant state variations in a number of areas. These include:

- The circumstances under which the paternity of a child born to a married couple may be challenged.
- The process for rescinding a voluntary paternity acknowledgment.
- The interface between the paternity establishment and the birth records processes.
- The rights of children to participate in the process.
- How to determine the parentage of children born pursuant to assisted reproduction and surrogacy agreements.

These differences can cause problems in interstate paternity cases. Moreover, some states have dealt with them in ways that leave children vulnerable.

Recognizing this, the National Conference of Commissioners on Uniform State Laws (NCCUSL) has voted to issue a new model Uniform Parentage Act (UPA). The old model was last revised in 1973 and was seriously out-of-date. The new UPA contains all of the provisions regarding paternity of non-marital children that states need to have in order to be eligible for federal funding for their child support and TANF programs. In addition, it provides guidance in areas—like rescission of acknowledgments, and the establishment of paternity registries -- where the federal law is silent. It also goes beyond the federal requirements and deals with parentage of marital children and children conceived through assisted reproduction, providing legal protections that these children do not now have in many states. The new model act is posted on the web at www.law.upenn.edu/bll/ulc

CLASP will soon publish a monograph that describes the new UPA in detail and provides the rationale behind its provisions. It explains which sections are required by federal law and which represent policy choices. Where policy choices are involved, it explains the choice in light of current law and social science research as well as best state practices. It is hoped that this monograph will help families, advocates, and state legislatures participate in debates on this issue in their next legislative session.

➢ For more information, contact Paula Roberts at CLASP.

## CHILD CARE: Minnesota Evaluates At-Home Infant Child Care Program

> Exploration of innovative ways to financially support parents on family leave with newborns has been recommended by the National Academy of Science's recent report, *From Neurons to Neighborhoods: The Science of Early Childhood Development.* As women with young children increasingly enter the workforce, an inherent concern that arises is the care of infants. A number of factors, such as recent brain development research, the limited supply of infant care providers, and the potential value of parental care, contribute to consideration and discussion of this issue. In recent months, policy alternatives have arisen that address this issue by offering financial assistance for parents to stay at home with their newborns. At the forefront is the use of paid family and medical leave, funded by Unemployment Insurance, Temporary Disability Insurance, or other funding sources. In June, President Clinton announced a new Labor Department regulation that encourages states to provide unemployment benefits for parents on parental leave. Paid family and medical leave, which was also supported by the Clinton Administration in its FY 2001 budget, has already been considered by 14 states.

One financing innovation is underway in Minnesota – there the state taps its subsidized child care funds to allow low income parents to stay at home with their infants. The At-Home Infant Child Care Program (AHIC), enacted in July of 1998, was designed as a complement to Minnesota's general child care assistance program for low-income families, the Basic Sliding Fee Program (BSF). Since its inception, the infant care program has served 101 families. Total projected expenditures for SFY 2000 were $150,000-$250,000, and $1,000,000 has been set-aside in both SFY 2001 and 2002 since the program is expected to grow under new rules.

To be eligible for the at-home infant care program, families must:

- meet the eligibility criteria used for the Basic Sliding Fee program which includes both income eligibility criteria and parental participation in employment, education or job search and
- provide full-time care for their infants (children under one year of age).

Eligible families are:

- limited to a lifetime total of 12 months of assistance from AHIC
- able to split the 12 months between children or use for one child

- not allowed to obtain child care subsidies for non-parental care for any other children in their family
- permitted to pursue employment or education while receiving AHIC assistance
- eligible for the sliding scale program once they complete their participation in AHIC, if they request additional child care help and meet all eligibility criteria for the BSF program.

When first enacted, the at-home infant care program was available only to families already receiving, or at the top of the waiting list to receive, the basic sliding fee child care (families in those counties without waiting lists were also eligible). However, in July 1999 the Minnesota State Legislature revised the participation regulation to allow families on waiting lists for BSF to move directly into AHIC, even if they were not at the top of the BSF waiting lists.

Minnesota recently released data on the limited number of families (63) that completed their participation by December 1999. Due to the even smaller number of families (19) who completed the parent evaluations for the program, the data that Minnesota has compiled can only offer a preliminary evaluation of the program. However, using the participant data from 51 of 63 possible evaluations on the families who've completed the program provided by Minnesota's counties, which administer the program, the February 2000 legislative report on AHIC describes the following trends:

- All families were involved in an authorized work activity prior to the birth of their infants. Ninety-four percent of these families were undertaking employment and 8% were participating in education prior to the birth of their children. (Two families were involved in both education and employment.)

- Families who were able to receive the benefits of the at-home infant care program were more likely to be two-parent families, and in that sense, were unlike the Basic Sliding Fee population overall. About 85% of the BSF families in SFY 99 were headed by single parents, whereas 55% of the AHIC evaluations returned by the counties represented single-parent families. Minnesota states, "This difference is not surprising, as two-parent families are able to retain a portion of their income while one-parent stays home with an infant."

- Among the families that have completed their AHIC participation, the average number of children is 2.3, and the number of children ranges from 1 to 5. Overall, the families that participated in AHIC were slightly larger than BSF families.

- Prior to AHIC, the average income for participants was $21,891 or 40% of the State Median Income. This income fell to $19,379 (35% of the State Median Income) during AHIC, and then increased to $23,671 (43% of State Median Income) after participation. Minnesota attributes this eventual increase in earnings to the relatively high proportion of two-parent families who participate in AHIC. The state hypothesizes that this change "possibly reflects changes in income of the parent who was not providing full-time care for the infant."

- The average subsidy per month to families in AHIC was $277, and the average total subsidy was $1,469. The aggregate data from completed participants indicates that a significant portion of participants received $200-$299 a month, and almost all participants were provided between $100 and $399 a month.

- Due to the 1999 changes in participation procedure, Minnesota was unable to determine cost savings for the AHIC at the overall program level. However, cost savings at the family level were determined. For those families that participated in BSF prior to AHIC, which represents 55% of those families for whom an evaluation was completed, the possible range of savings is $138 to $476 per month. For families in which the infant was their first child (24% of the families accounted for by evaluations), the average monthly savings were about $84. For families who had other children, but were not previously using BSF (21% of the families with evaluations), there are two estimates. If the family would have otherwise moved into BSF, the savings would be similar to the first group, at about $138 to $476 a month. If the family had otherwise forgone child care assistance, there would be no savings to offset the AHIC expenditures.

**Public Positive on Paid Parental Leave**

Public support for providing financial assistance to workers who need to take family or medical leave is stronger than ever, according to a new public opinion survey. Eighty percent of adults, or four out of five, support "paid parental leave that allows working parents of very young babies to stay home from work to care for their children." This statistic was a central finding of the survey conducted for Zero to Three: The National Center for Infants, Toddlers, and Families, Civitas, and the Brio Corporation. Eighty-five percent of adults, a vast majority, strongly or somewhat support expanding "disability or unemployment insurance to help families afford to take off from work to care for a newborn, a newly adopted child, or a seriously ill family member."

- Full text of this national public opinion poll is available at http://www.zerotothree.org/professional.html?Load=bookstore.html#pub

- Of the 51 families for whom county evaluations were completed, 67% of the families participated in AHIC for less than three months. Twenty-one percent participated for three to five months, whereas 4% remained for six to eight months and 8% remained for nine to twelve months.

- The anecdotal information gathered from the 19 parental responses to the AHIC evaluation indicate that 17 of the families felt that there were benefits, either developmental or financial or both, to AHIC. Only two parents found it difficult or somewhat difficult to participate.

Cherie Kotilinek, the Manager of Early Childhood and Family Support Programs in Minnesota, summarizes the significance and current status of the program, "Minnesota recognizes the importance of parents as the child's first and most important teacher through a couple of initiatives -the statewide Early Childhood Family Education program that makes parenting education/early childhood education and parent child interaction opportunities available on a statewide basis and the At Home Infant Care Program. However, one of these initiatives, the at-home infant child care program, is only available to low income families and is included as a subset of the basic sliding fee program. This program is not funded at a level that serves all eligible families and was originally designed to support the child care needs of working families and students. One tension that surrounds the at-home infant care program is that the amount of income support is too low for many low income families to take advantage of it - these families simply could not get by on the available subsidy; another tension is that this program competes for limited resources within the basic sliding fee program which leaves some families who need child care to work and who have even fewer choices on a waiting list for assistance."

Kotilinek concludes, "These tensions would not be so evident if child care assistance funds were sufficient to allow all eligible families to work, look for work, go to school, or care for their infants at home."

- The evaluation data was excerpted from the February 2000 *At Home Infant Child Care Program Report to the Legislature* from the Minnesota Department of Children, Families and Learning. For more information, contact Cherie Kotilinek, Minnesota Department of Children, Families and Learning, (651) 582-8562, child.care@state.mn.us.

## CENSUS BUREAU'S RELEASE: Latest Poverty and Income Data

With the decline in the overall poverty rate to 11.8 % in 1999, the U.S is currently at the lowest poverty rate since 1979, the Census Bureau announced this month. The poverty rate for children, which has declined to 16.9%, is also at its lowest rate since 1979, and the poverty rate for older Americans, aged 65 and over, is at an all time low. In addition, poverty rates for African-Americans and people living in the South dropped to all-time lows, while the rates for non-Hispanic whites and Hispanics hit levels statistically equivalent to all-time lows. In keeping with these trends, the median household income rose to a new record in 1999, at $40,816.

Robert Greenstein, director of the Center on Budget and Policy Priorities (CBPP), notes a number of concerns in interpreting this data. According to CBPP, the Census data show that "those who remain poor have, on average, grown poorer," even though the number of poor children overall has fallen substantially in recent years. In addition, CBPP points to the high poverty rates for certain types of families, such as children under 6 who live in female-headed families. For this group of children, the poverty rate was 50.3% last year. With respect to income disparity, the Census report indicates that the sharp widening of disparity evident between the mid-1970s and 1993, has remained unchanged since 1993. However, CBPP notes that the Census data calculations do not include all income of the highest income families. For example, the Census Bureau data do not include income from capital gains, nor do they record earnings over $999,000. These limitations in the Census data have a large effect on calculations of earnings for very high income households and therefore, measures of income inequality.

- For more information, see the Center on Budget and Policy Priorities Press Release *Poverty Rate Hits Lowest Level Since 1979 As Unemployment Reaches 30-Year Low***.** This is available at http://www.cbpp.org/9-26-00pov.pdf. The full text of the Census Bureau's reports are available at http://www.census.gov/prod/2000pubs/p60-210.pdf

# HUNGER in AMERICA

Despite a record economic boom, 31 million Americans face hunger or food insecurity according to *Household Food Security in the United States in 1999*, a report issued by the Department of Agriculture and the Census Bureau. While the overall number is down by 3.5 million since 1995, the incidence of food insecurity has increased for many of the working poor; specifically, among households at 50-130% of poverty, the percentage facing food problems has grown from 26.2% in 1995 to 27.7% in 1999. According to Food Research and Action Center (FRAC) President Jim Weill, "The report provides confirmation that a combination of low wages and drops in Food Stamp participation are denying millions of families the basics for a decent and healthy life." Included in the full report are the following findings:

- Of the 31 million individual Americans who were food insecure in 1999, about 3 million households were food insecure to the extent that one or more household members were hungry due to insufficient resources at least at some point during that year. Children accounted for twelve million, or 39%, of the 31 million persons who were food insecure in 1999.

- Food insecurity is experienced by about one-third of low-income households whose earnings fall below 130% of the poverty line. Forty-two percent of children in low-income households (where income does not exceed 130% of the poverty level) are members of food-insecure households. In general, low-income families with children are more susceptible to food insecurity than households without children are.

- Low-income, female-headed (no spouse) households represent the type of household composition most vulnerable to food insecurity among the family structures studied in this report. Over 44% of households headed by low-income single mothers (with incomes below 130% of the poverty level) were food insecure. Over 29% of single parent, female-headed households of all economic status are food insecure.

- For black, non-Hispanic households in general the rate of food insecurity is 21.2% and for Hispanic households, it is 20.8%. For low-income black families, with incomes under 130% of the poverty level, the rate of food insecurity increases to 40.4%. For low-income Hispanics, the food insecurity rate increases to 38.7%. The food insecurity rate is 7.0% for white, non-Hispanic households of all economic status, and 26.7% for low-income white households.

- Food insecurity is more prevalent for households dwelling within central cities and nonmetro areas than in suburbs or metropolitan areas outside of central cities. Households in central cities face a food insecurity rate of 13.8% and for households in nonmetro areas, the rate is 10.1%. Comparably, households in suburbs and other metropolitan areas outside of cities fare better with a 7.7% food insecurity rate.

➢ The above information was excerpted from the *Household Food Security in the United States* by the U.S. Department of Agriculture. The full text is available at http://www.ers.usda.gov/epubs/pdf/fanrr8/

## REPRODUCTIVE HEALTH NEWS

### HHS Awards $100 Million For Out-of-Wedlock Birth Declines

HHS Secretary Donna E. Shalala announced the award of $100 million in bonuses to four states and the District of Columbia for achieving the nation's largest decreases in out-of-wedlock births between 1995 and 1998. The September 15 announcement is the second award of the bonuses provided for in the 1996 welfare law.

The awardees are Alabama, Arizona, the District of Columbia, Illinois and Michigan. Each will receive $20 million. Under the 1996 law, a total of $100 million will be available annually. This is the second award for Alabama, the District of Columbia and Michigan. According to HHS, “More evidence is still needed to fully understand the range of factors contributing to the decrease in the proportion of out-of-wedlock births in these particular states.” [www.hhs.gov/search/press.hmtl]

Under the law, the annual bonuses are to be awarded to as many as five states with the largest reductions in the proportion of out-of-wedlock births to total births. HHS compiles the statistics reported by states and compares the proportion for the most recent two-year period to that for the preceding two-year period. For this year's bonuses, rankings were based on birth statistics from 1995 and 1996 compared to 1997 and 1998. The top five states become potentially eligible for the bonuses. In order to receive the bonuses, the five states must then also show a decrease in their abortion rate between the most recent year and 1995, where the abortion rate is measured as the number of abortions divided by the number of births.

The reductions achieved in the winning states were: District of Columbia, 4.13 %; Arizona, 1.38%; Michigan 1.34 %; Alabama, 0.29 % and Illinois 0.02 %. Notably, throughout the nation, only six states (the five winning states and Oregon) registered any decline in births to unmarried women.

- The full list of states and the percentage change in out-of-wedlock birth rates is available on the World Wide Web at http://www.acf.dhhs.gov/news/oow00sts.htm.

### Making The Link:
### OK Employment Program Incorporates Health Education

> “Making the Link” is a series of periodic reports from CLASP about efforts to integrate reproductive health information and services with other social service systems.

Good health is now an integral part of preparation for employment at Project REACH, a welfare-to-work program located on the Oklahoma State University’s campus in Oklahoma City. The program, in existence since 1993, provides training for up to 12 months in general employability skills and specific job skills, and help in setting career goals.

In 1999, three former TANF clients who serve on the project's advisory board suggested that the program was missing something—a health component that would help the many clients who struggle with issues like poor health, difficult relationships, and parenting problems. Since these problems make it more difficult for clients to become employable, a health education component would not only fulfill clients' desires for information but also might enhance the effectiveness of the program.

Program Coordinator Tamie McCabe was impressed with the board members' suggestion. She spoke to a representative of the state Health Department, which in turn brought in the Heart of OKC Project of the Oklahoma Institute of Child Advocacy. The two agencies worked together to develop a weeklong pilot program including health education, prevention, and family communication training. The program focused on family systems, how to talk to children about sex and growing up, women's health and reproductive concerns, sexually transmitted diseases, substance abuse, and family relationships. The response to the program by participants was overwhelmingly positive.

In the coming academic year**,** Project REACH plans to offer enough health workshops to include every client that enters the welfare-to-work program. The sessions will be extended to cover a two-week period. The health education program will become the first program component that clients go through. The workshop will be increased to two weeks and expanded to include anger management, stress management, depression, and other topics that are of interest to program clients. According to Ms. McCabe, "The program helped the students realize that they could change their lives and their children's lives. They are now more aware of things that can be changed, which will make them healthier, which will help in becoming self-sufficient."

- For more information, contact Ms. McCabe at (405) 945-9135 or mtamie@osuokc.edu.

## Studies Find Disapproval of Abstinence-Only Programs

**AIDS Experts Oppose Abstinence-Only Education.** The Institute of Medicine's recent report on the status of HIV/AIDS infections in America details a national strategy for prevention and includes a recommendation to abolish federal, state and local requirements that public funds be used for this abstinence-only education. As stated in the full report, "The Committee believes that investing hundreds of millions of dollars of federal and state funds over five years in abstinence-only programs with no evidence of effectiveness constitutes poor fiscal and public health policy." The Committee advocates that states and local school districts implement and support age-appropriate comprehensive sex education and condom availability in schools, both of which have been shown to reduce the risk of HIV and other sexually transmitted diseases without promoting sexual activity. This recommendation takes on added urgency given that the majority of AIDS cases reported in 1999 among adolescents were attributed to sexual activity.

- The full text of the Institute of Medicine's report *No Time to Lose: Getting More From HIV Prevention* is available from the National Academy Press at **http://books.nap.edu/books/0309071372/html/1.html**

**Parents Want More Taught than What Schools Teach.** Generally parents want schools to teach a wider range of topics in sex education than those that are currently covered, according to the Kaiser Family Foundation's recent report, *Sex Education in America: A View from Inside the Nation's Classrooms.* The Kaiser study has detected several gaps in what parents would like to be included in sex education and what the students report as currently covered in class. While strongly supportive of education on HIV/AIDS (98%) and abstinence (97%), parents additionally requested that schools expand sex education to more controversial issues including:

- 85%, or eight in ten parents, felt that lessons on how to use condoms should be taught.
- 88% of parents want instruction on talking about birth control and STDs with partners to be included.
- 79% of the parents surveyed want abortion to be discussed.
- 76% want lessons on sexual orientation included.

As Tina Hoff, Director of Public Health and Information and Communication for the Kaiser Family Foundation summarizes, "What comes across in this study is that parents look to schools to prepare their children for real life. Their concerns are practical, not political."

While parents indicated that they would like more of the elements that are included in "comprehensive" sex education, the Kaiser study finds that the differences in "comprehensive" and "abstinence-only" education are not always understood by educators or parents. According to the Kaiser survey, most educators (61% of teachers and 58% of principles) reported that the "main message" of their sex education was "comprehensive," (defined as "Young people should wait to have sex, but if they do not, they should use birth control and practice safer sex."). Approximately one in three schools teach abstinence as the only option—33% of teachers and 34% of principals describe the main message of their sex education as "abstinence-only," (defined as "young people should only have sex when they are married"). However, despite the difference in these messages, the survey also found that the two approaches to sex education are less rigid than expected. For example, some sex education classes deemed "abstinence-only" by teachers and students did include discussions on where to get and how to use birth control, while some "comprehensive" classes provided only "surface-level information about birth control" and failed to address "more practical aspects of how to use birth control or talk to a partner about sexual health issues."

- ➢ The Kaiser Family Foundation's report *Sex Education in America: A View from Inside the Nation's Classrooms* utilized a national survey of 1,501 pairs of public school students in the 7$^{th}$-12$^{th}$ grade and their parents, 1,001 public school teachers of 7$^{th}$-12$^{th}$ grade sex education and 313 public secondary (7$^{th}$-12$^{th}$ grade) school principles. A full copy of this report is available at **http://www.kff.org/content/2000/3048/SexED.pdf**

**Rise in Abstinence-Only Messages Despite What Teachers Want Included.** Public school sex education teachers reported an increased focus on abstinence-only education during the 1990s. While only 2% of teachers taught that abstinence is the only way of preventing pregnancy and sexually transmitted diseases in 1988, in 1999, 23% of these teachers had adopted this approach, according to new study by the Alan Guttmacher Institute, *Changing Emphases in Sexuality Education In U.S. Public Secondary Schools, 1988-1999.* In general, instruction in all grades is much less likely to cover birth control, abortion, how to obtain contraceptive and STD services, and sexual orientation than it was in the late 1980s.

In 1999, teachers were less likely than they were in 1988 to say that classes should cover topics related to birth control, abortion, and sexual orientation in grade seven or earlier (except ethical issues about abortion) or by the end of grade 12. Overall, though, a majority of teachers in 1999 (78-93%) favored sex education courses that cover birth control methods, factual information, and ethical issues about abortion, where to go for birth control, the correct way to use a condom, and sexual orientation. Specifically, 84-89% wanted factual information and ethical issues about abortion to be covered, and 78% wanted classes on sexual orientation. Eighty-nine percent of teachers believed that sex education courses should cover where to go for birth control, and 82% favored including lessons on the correct way to use a condom. Despite their support for these last two topics, one in four teachers are told not to teach about "contraception." Gaps between actual coverage of all of these topics and the teachers' recommendations are substantial, at about 24-30 percentage points. This is consistent with another finding of the study - one-quarter of teachers said that information their students needed was not in the curriculum they followed.

As AGI President Sara Seims concludes, "Teachers on the front line in high school around the country recognize that young people need a range of information to support them in making responsible decisions regarding their sexuality. Yet this study reveals that teachers are covering far less, far later than they believe is needed. Our findings are particularly disheartening, considering that abstinence accounted for about one-quarter of the recent drop in US teenage pregnancy rate, while improved contraceptive use was responsible for the rest."

Urging Congress to rescind immediately the $250 million in federal funds earmarked for abstinence-only-until-marriage programs, James Wagoner, President of Advocates for Youth, recommended instead that funding be directed towards programs that have been proven to reduce the risk of HIV/AIDs and other STDs. Wagoner's call for redirected funding came after the White House Office of National AIDS Policy released a report entitled *Youth and HIV/AIDS 2000: A New American Agenda*. This report, which expressed "grave concern" over the government's large incentive to "adopt unproven abstinence-only approaches" to sex education, was the fourth report issued in the past few weeks that disapproves of abstinence-only education.

- The full text of the White House Office of National AIDS Policy report *Youth and HIV/AIDS 2000: A New American Agenda*, is available at http://www.whitehouse.gov/ONAP/hot.html

- The full text of this report is available at **http://www.agi-usa.org/pubs/journals/3220400.html**

## “Excluded” Children: Judge Rules Child Support Must Go to Indiana Children

> A U.S. District Court Judge has ruled that Indiana’s “child exclusion” or “family cap” policy is flawed because of how it treats child support payments. The Indiana decision adds to a growing body of recent rulings on different aspects of family cap policies in a range of states (see September 2000 CLASP Update or visit www.clasp.org).

Around 20 states have a “child exclusion” policy under which children conceived by a welfare recipient are excluded from the grant calculation; i.e., they do not receive the normal incremental increase available to families of a similar size. In Indiana, the state policy required that child support payments collected for “excluded" children be given to the state instead of the family even though the family was not receiving a welfare benefit specific to that child**.**

The federal judge, David F. Hamilton, issued a preliminary injunction on October 6 but indicated he intends to make the ruling permanent. There is some indication that Hamilton will further rule that the state must reimburse families affected to date—currently just under 6,000 children in Indiana have been subject to the family cap, according to Jackie Bowie, of the Indiana Civil Liberties Union, who successfully argued the case on behalf of her plaintiffs.

The main argument presented by Bowie of the Indiana Civil Liberties’ Union was that the state should not be allowed to keep the child support paid when it is not providing welfare benefits for the child. Ms. Bowie made the point that since the family’s grant did not increase when the child was born, the state should not be viewed as providing benefits for that child. Bowie explains, “The district court judge recognized that it is unfair and unconstitutional for the state to deny a child cash assistance that would provide for her most basic needs, and then also take away from the child the one thing that is designed to meet her basic need—her child support. This ruling will help hundreds, if not thousands, of Indiana children and may even impact other states’ child support policies.”

Some states with child exclusion policies specify that families are to receive all the child support paid on behalf of the “excluded child”; that is, these state policies apparently are in sync with Judge Hamilton’s ruling. California, Delaware, Maryland, Massachusetts, Mississippi, Nebraska and Virginia appear to do this, according to an HHS report “Setting the Baseline: A Report on State Welfare Waivers” (June 1997) that identified which family cap waivers “allow families to keep all child support collected on behalf of the child who is excluded from benefits as a result of the family cap.” [The policy in these states could have changed since the report; indeed, according to data from the Center on Budget and Policy Priorities, only California, Massachusetts, Nebraska, and Virginia “pass through more of the child support” to a capped child than to an uncapped child” as of 1998].

## FACTS OF NOTE

**TANF Caseload Decline and Full Family Sanctions**. "Using reasonable assumptions, it can be estimated that 540,000 families nationwide lost assistance following a full family sanction sometime from 1997 through 1999. Approximately 360,000 families, or about two thirds of those receiving a full sanction, are likely to have remained off assistance at the end of 1999."

- *A Compliance-Oriented Approach to Sanctions in State and County TANF Programs,* Heidi Goldberg and Liz Schott, Center on Budget and Policy Priorities, Oct. 2000

**Working Parents and Child Self-Care.** "Five percent of 6-to9-year-olds have self-care as their primary child care arrangement while the parent is working. Overall, 10 percent of 6-to 9-year-olds regularly spend *any* time in self-care."

- *Child Care Patterns of School-Age Children with Employed Mothers*, Kathryn Tout, Child Trends; Jeffrey Cappizzano and Gina Adams, The Urban Institute Sept. 2000

## NEW FROM CLASP

**Child Support Distribution and Disbursement** by Paula Roberts explains the provisions of PRWORA for family-centered distribution and disbursement of child support, as well as outlines regulations on the allocation of collected support and arrears for families who are on public assistance, post-assistance families and families who have never received public assistance. 18 pages, available at http://www.clasp.org/pubs/childenforce/Distribution_and_Disbursement.PDF.

**Child Support Issues for Parents Who Receive Means-Tested Public Assistance** by Paula Roberts includes critical issues as to whether public assistance is countable as "income", whether a court should impute income to a parent with no countable income, and whether minimum support awards should be established. 15 pages, available at http://www.clasp.org/pubs/childenforce/MeansTested%20for%20CReview.pdf. (See also 34 Clearinghouse Rev.182)

**Welfare Reform: Next Steps Offer New Opportunities -** A Role for Philanthropy in Preparing for the Reauthorization of TANF in 2002 by Mark Greenberg and Michael C. Laracy. Available at http://www.nfg.org/publications/welfare.htm

**Steady Work and Better Jobs: How to Help Low-Income Parents Sustain Employment and Advance in the Workforce** by Julie Strawn & Karin Martinson. Despite the success of many welfare recipients in finding jobs, their wages typically leave them below the poverty level and for many, the jobs do not last. Julie Strawn of CLASP is the primary author of a new guide written for MDRC, Steady Work and Better Jobs, that brings together best practices and up-to-date research findings to help staff working in TANF, Workforce Investment Act, and other programs to promote steady work and access to better jobs. Available at http://www.mdrc.org/Reports2000/SteadyWorkGuide.pdf. Released June 2000.

# CLASP*Update*

**A CLASP Report on Welfare Developments**

**Jodie Levin-Epstein, Editor**

**December 2000**

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- Front line program and policy experts.

*Invitation accepted; schedule permitting.

**INSIDE…**



Contributors: Megan Annitto, Janellen Duffy, Nisha Patel, and Vicki Turetsky

## THE NEW POLITICAL LANDSCAPE

As *CU* goes to press in mid-December, just days after Texas Governor George W. Bush became President-elect, rumors abound about both Presidential cabinet appointments and Congressional committee changes. Reported contenders for Secretary of HHS include Wisconsin Governor Tommy Thompson, who is also under consideration for head of the Education Department *(Baltimore Sun 12/15; reprint, the National Journal, 12/15; Kaiser Daily Health Report, 12/14),* Kay James, a "social conservative who was secretary of Virginia's HHS and HHS assistant secretary in the previous Bush administration," (*National Journal, 12/15),* Dr. William Roper, dean of University of North Carolina's School of Public Health and head of CDC under former President Bush (*National Journal),* New Jersey Gov. Christie Whitman (*Bergen Record, 12/15/00),* who is also under consideration for Secretary of Labor (*Washington Post, 12/19/00)* Gail Wilensky, former Health Care Financing Administrator, Tom Coburn, retiring Oklahoma Representative, and Rick Lazio, former New York Representative (*Kaiser*, *12/14*). Within HHS, Wade Horn is rumored to be a contender for Assistant Secretary of the Administration for Children and Families. Under consideration for Secretary of Labor are Jim Talent (R-MO), Rep. Jennifer Dunn (R-Wash), and Linda Chavez, former Reagan administration civil rights commissioner (*Bergen Record*). Prospects for Secretary of Agriculture include Ann M. Veneman, former secretary of the California Department of Food and Agriculture and deputy agriculture secretary during former President Bush's administration, who was interviewed by President-elect Bush this week (*Washington Post, 12/19*).

On the Hill, rumors are even more sparse since it is still unclear how the Committee chairs will be determined in the Senate, and how Cabinet appointments will affect potential Congressional committee chairs. In the Senate, Charles Grassley (R- Iowa) is rumored to be the "incoming Chairman of the Finance Committee," (*Roll Call, 12/14/00*). With Rep. Bill Archer (R-Texas) retiring from the chairmanship of the House Ways and Means Committee, there will also be some changes to this important House committee. Ranking members of Ways and Means, including highest ranking member Philip Crane (R-Ill.), Bill Thomas (R-Calif), and Clay Shaw (R- Fla.) are contenders for the Chair of Ways and Means.

## NEW BUDGET DEAL: Appropriations Highlights

The following is a summary of final spending figures for selected human needs programs in two House and Senate FY 2001 appropriations bills: Labor-HHS-Education (H.R. 4577), and VA-HUD (H.R. 4635).

The package containing the Labor-HHS-Education bill (H.R. 4577) was passed by the House and Senate on December 15 and is awaiting the president' signature. The VA-HUD bill (H.R. 4635) was passed by the House in final form on October 19 by a vote of 386-24 and by the Senate on the same day by a vote of 85-8. It was signed by the president on October 27 (P.L. 106-377).

Highlights of the two bills include the following:

**Department of Education**

* 21st Century Learning Centers: This program provides funding to help schools stay open longer, provide recreational and learning-based activities, and generally provide a safe place for children after school. Funds are distributed in the form of grants to inner city and rural public schools. The final Labor-HHS-Education bill provides $845.6 million in funding for FY 2001, almost doubling the $453.4 million appropriated in FY 2000. According to the Clinton administration, this increase will provide services to 1.3 million children.

* Education for the Disadvantaged (Title I): The final Labor-HHS-Education bill provides $9.532 billion in funding in FY 2001 for this program, the primary source of federal assistance for low-income students. The amount appropriated is an increase of over $800 million over the $8.701 billion appropriated in FY 2000.

**Department of Health and Human Services (HHS)**

* Low Income Home Energy Assistance Program (LIHEAP): The final Labor-HHS-Education bill provides just $1.7 billion in total funding for FY 2001 for this program, the principal federal source of heating and air conditioning assistance for low-income people. The amount represents a cut of $300 million from the $2 billion appropriated for FY 2000, including an extra $600 million in emergency funding that was included in the FY 2000 supplemental appropriations bill. No advance funding was included in the package for FY 2002. Members of the LIHEAP Coalition are especially concerned about the cut given recent increases in energy prices.

* Social Services Block Grant (SSBG): The final package provided $1.725 billion for this program, cutting spending by $50 million from FY 2000 levels. According to the Title XX Coalition, the funding level is also $655 million below the authorization level agreed upon during welfare reform. In addition, the final bill maintains the amount states can transfer from TANF to SSBG at 10%, which is the same as FY 2000. Under previous law this transfer authority was scheduled to be lowered to 4.25% in FY 2001.

* Head Start: The final package provided $6.2 billion for this program in FY 2001, an increase of almost $1 billion over the $5.267 billion appropriated for FY 2000. According to the Clinton administration, this increase will expand enrollment from 880,000 to nearly 950,000. Funding for Head Start has more than doubled since 1993, the beginning of the Clinton administration, when it was funded at $2.8 billion.

* Child Care and Development Block Grant: The final bill provided $2 billion for this program in FY 2001, matching the president's request for an increase of $817 million over the amount appropriated for FY 2000. The increase will provide child care subsidies for nearly 150,000 more children, according to the Clinton administration. The bill failed, however, to provide any advance funding for FY 2002.

**Department of Housing and Urban Development (HUD)**

* Housing Vouchers: The final VA-HUD bill provides $13.9 billion in budget Authority (BA) in FY 2001 for the Housing Certificate fund, including $453 million for 79,000 new housing

vouchers. These new housing vouchers come on top of 110,000 new vouchers won by the administration in FY 2000 and FY 1999.

* Public Housing Capital Fund: The final bill provides $3.0 billion for this program in FY 2001, an increase of $100 million over FY 2000. This funding is used to cover renovation and management costs for the nation's public housing.

* Community Development Block Grant: The final bill provides $5.057 billion for this program in FY 2001, an increase of $257 million over FY 2000. The Community Development Block Grant covers the cost of a variety of activities targeting low- and moderate-income people in underdeveloped communities across the nation, including improving housing, public works and services, and economic development.

**Department of Labor (DOL)**

* Adult Training: The final Labor-HHS-Labor bill provides $950 million for this program in FY 2001, matching the president's request to level-fund the program at FY 2000 levels. The original House-passed bill had cut the program by $93 million, to $857 million, but those cuts were dropped.

* Youth Training: The final bill provides $1.103 billion in FY 2001 funding for this program, which provides job training and summer job opportunities for roughly 660,000 disadvantaged youth. The amount represents an increase of slightly more than $100 million over FY 2000.

* Dislocated Workers: The final bill provides $1.589 billion for this program in FY 2001, level funding the program at FY 2000 levels but providing $111 million less than the president requested.

* Fathers Work/Families Win: The final package failed to provide any funding for an administration-proposed $255 million Fathers Work/Families Win initiative. Roughly half of the administration request ($125 million) would have been used to help 40,000 low-income non-custodial parents (primarily fathers) find work, pay child support, and reconnect with their children. The other half ($130 million) would have been used to help approximately 40,000 low-income families with job retention and job skills, and provide help with child care, child support, health care, food stamps, housing, and transportation.

* Youth Opportunities Grants: The final bill provides $275 million in FY 2001 for this program, which helps out-of-school youth graduate from high school and find jobs. The amount represents a $25 million increase over FY 2000, but $100 million less than the administration requested. It is expected to provide assistance to 63,000 out-of-school young people in high poverty areas.

* One Stop Centers: The final bill provides $150 million in FY 2001 for this program, a component of the Employment Service that provides one-stop service to employers and workers seeking career development and labor market information. The amount represents a $40 million increase over FY 2000.

**New Markets/New Communities Bill Enacted**
Perhaps the only significant tax legislation enacted for the year was a package of tax breaks targeting development in low-income communities that was included as part of the final omnibus appropriations bill. The package, worth nearly $26 billion over ten years, was pulled from a $240 billion tax package (H.R. 2614) that was passed by the House on October 26, but appeared dead in the Senate.

The package creates 40 new GOP-backed "Renewal Communities," twelve of which would be in rural areas. Businesses in those areas would receive a 15 percent wage credit for the first $10,000 in wages for qualified employees, a deduction for building revitalization and other improvements, and a zero percent capital gains tax rate on qualifying assets held for more than five years. The community renewal component is worth $5.6 billion over ten years.

The package would also create nine new administration-backed Empowerment Zones, adding to those already in existence and bringing the total to 40. Among other benefits, businesses in such zones would receive a 20 percent wage credit, but would not receive the zero percent capital gains tax rate in the GOP-backed renewal communities. The Empowerment Zone changes are worth $4.5 billion over ten years.

Other major components of the package include a $5.9 billion increase in the Low-income Housing Tax Credit, a $4.4 billion New Markets Tax Credit which would offset the cost of private investments in low-income areas, and a $3.5 billion change in the tax treatment of private activity bonds, which can help states fund infrastructure projects like low income housing. Provisions were dropped from the final package that would create Individual Development Accounts (IDAs), which would match savings set aside by low income individuals.

- Excepted from the Coalition on Human Needs December 19, 2000 Human Needs Report. See also CHN's *Side by Side Analysis of Funding for Selected Human Needs Programs in the FY 2001 Appropriations Bills.* Available at http://www.chn.org/budget/fy2001_approps_sidebyside2.html.

- For a detailed Labor-HHS-Education budget table available in Excel see http://www.house.gov/appropriations/pr01lhco.html

## HUNGER RELIEF ACT SIGNED INTO LAW

On October 28th President Clinton signed into law the FY 2001 Agriculture Appropriations Conference Report (H. Rept. 106-948), which, among other items, improves vehicle value and shelter deduction rules for the Food Stamp Program as proposed in the Kennedy-Specter/Walsh Hunger Relief Act (S. 1805, H.R. 3192). It is estimated to provide a $1.6 billion increase in food stamp benefits over five years, increase benefits for hard-pressed families, and add new families to the Program. The measure cleared the House on October 11 by a vote of 340 to 75 and the Senate on October 18, by a vote of 86 to 8.

Upon signing the legislation, President Clinton said, "I am pleased that the Act adopts my proposal to expand the vehicle allowance for the Food Stamp program, which will assist the many working poor families for whom owning a vehicle is the one item that makes them ineligible for food stamps. In addition, the Act will provide a much-needed increase in nutrition assistance for low-income families with high housing costs, by increasing the Food Stamp housing allowance. The two changes mean that families do not have to choose among buying food, paying their housing costs, or having a more reliable car."

Specifically, the Agriculture Appropriations bill:

Allows Food Stamp Recipients to Own Reliable Vehicles:

> Allows states to use same rules to count the value of a vehicle as they do under the Temporary Assistance to Needy Families Program (TANF). Currently, $4,650 is the limit on the value of a vehicle that a household may have and still qualify for food stamps. The limit, a mere $150 higher than that set in 1977, is not enough for a family to have a reliable car for work, and is less than most states deem appropriate for working families under TANF. This provision of the Agriculture Appropriations bill, effective July 1, 2001, will help an estimated 245,000 people own a reliable car and still be eligible for food stamps.

Raises Shelter Deduction Cap for Families Receiving Food Stamps:

> In order to allow food stamp allotments to more accurately reflect actual household need, the Food Stamp Program takes into account a household's shelter expenses when determining the household's food stamp allotment. The program does this by allowing households to deduct shelter costs from their income. Current food stamp rules, however, cap the amount of shelter costs non-elderly, households may deduct. The cap on the shelter deduction was set at $300 for FY 2001 and subsequent years. The new provision, effective March 1, 2001, raises the cap on the shelter deduction to $340 and, starting in FY 2002, indexes it to inflation increases. This change will allow food stamp allotments to more fully reflect actual household need.

- Prepared by the Food Research and Action Center, 1875 Conn. Ave., NW, Washington, DC 20009, 202-986-2200; www.frac.org.

**CHILD SUPPORT: The Status of the Distribution Bill**

Despite strong support from many advocates and states, as well as the Clinton Administration, H.R. 4678 was not included in the Labor-HHS-Education budget package finalized last week. H.R. 4678, and its companion bill in the Senate, S. 3189, would have allowed states to reform their child support distribution rules and authorized low-income fatherhood grants. There is a possibility that the legislation will re-emerge in 2001; indeed, given President-elect Bush's interest in the fatherhood aspects of the bill (see below) the measure may be brought up early in the 107th Congress.

The distribution legislation under consideration in the budget negotiations would have eliminated TANF assignment of pre-assistance child support arrears in 2005, and given states the option to pay more or all child support to TANF and former TANF families, including federal tax offset collections. The proposal offered states a number of financial incentives, including release of the state's obligation to repay the federal share for any support paid directly to former TANF families and for any support passed through and disregarded to current TANF families and authority to use TANF funds to pay for expanded distribution or to claim state costs under TANF Maintenance of Effort (MOE) rules for support distributed to families.

The fatherhood legislation would have authorized $140 million over three years for HHS direct competitive grants to public and community-based projects to fund services for low-income fathers (including employment, parenting and marriage services). In addition, the legislation included $100 million over two years to fund 30 state grants for services and media campaigns.

Attempts to pass legislation to expand access to confidential child support data and law enforcement authority by for-profit child support collection companies also failed. The expanded access legislation was successfully opposed by a broad coalition of antipoverty and consumer advocacy groups, the Administration, and states.

## RECORD LABOR FORCE PARTICIPATION AMONG MOTHERS WITH INFANTS

A recently released Census Bureau report examined June 1998 data and found a 59% labor force participation rate among American women with children under age 1. The data reveal that 36% of this group worked full-time, 17 % worked part-time and 6% were actively seeking employment. The 59% total is a record high and almost double the 31% participation rate of 1976.

"The large increase in labor force participation rates by mothers since 1976 is an important reason why child care issues have been so visible in recent years," said Amara Bachu, co-author of the report with Martin O'Connell.

Among mothers with children under age 1:

- Forty-two percent of those with family incomes under $10,000 were working at least part-time or actively seeking employment
- Fifty percent of married mothers worked full-time compared to 39% of separated, divorced, or widowed mothers and 24% of never married mothers

- Sixty-three percent of black mothers participated in the labor force compared to 58% of white mothers, 50% of Asian/Pacific Islander mothers and 46% of Hispanic mothers

- For more information, see the Census Bureau press release at: http://www.census.gov/Press-Release/www/2000/cb00-175.html. The full report *Fertility of American Women: June 1998* can be also be accessed on-line at: http://www.census.gov/population/www/socdemo/fertility.html

## FAMILIES EXPERIENCE IMPROVEMENTS AND INCREASING INEQUALITY SINCE 1997

Both improvements and inequalities are among the findings from Urban Institute's 1999 National Survey of America's Families (NSAF). While this study, presented in *Snapshots of America's Families II,* found that adult and child poverty rates have fallen, that more families could afford food, and that more adults received health insurance coverage since 1997, it also revealed a widening income gap between black and white adults, as well as a widening health insurance gap between low-income Hispanic and white adults. Alan Weil, the director of the Urban Institute project, Assessing the New Federalism, which conducted both the 1997 and 1999 National Survey of American Families in partnership with Child Trends, summarizes the recent findings from 1999 survey. Weil explains, "Snapshots II tell an economic success story while identifying the serious challenges ahead. Broad economic measures are improving, but disparities between white, black, and Hispanic people remain and in some areas are actually growing. Many of the 75 million adults and children living in low-income families face tremendous obstacles, and higher-income families are showing more signs of strain."

Although the employment gap between black and white low-income adults shrank by almost 5 percentage points between 1997 and 1999, the gap between the proportion of black and white adults with low incomes grew by 3 percentage points.

Many of the findings suggest mixed outcomes for certain groups over the past two years. For example, although the employment gap between black and white low-income adults shrank by almost 5 percentage points between 1997 and 1999, the gap between the proportion of black and white adults with low incomes grew by 3 percentage points. While the overall share of low-income adults with employer-sponsored health insurance grew considerably, the gap in employer-sponsored health insurance between low-income white and low-income Hispanic adults increased. Similarly, while white adults could better afford housing in 1999 than in 1997, black adults found it more difficult to pay for housing over the past two years.

The 1999 NSAF, which over-samples low income families in order to measure the well-being of this group more accurately, posits the following observations concerning economic well-being and health insurance access and coverage:

- The employment rate for low-income single parents increased from 63% in 1997 to 67% in 1999.

- National poverty rates for adults and children declined from 13% and 21% respectively in 1997 to 11% and 18% respectively in 1999.

- The rate of employer-sponsored insurance increased for low-income adults, particularly among whites, young adults (ages 19 to 34), and those in fair or poor health.

- The group primarily targeted by the State Children's Health Insurance Program, children in families with incomes between 100 and 200 percent of the poverty level, saw an increase in public coverage since 1997.

In terms of family environment and child well-being, *Snapshots II* found that family structure and income may have some impact on other aspects of children's environment that may affect their well-being. Kristin Moore, president and senior scholar at Child Trends, summarizes the results the NSAF results pertaining to family environment, "On average, the environments of children in two-parent families and higher-income families are more positive on every measure examined than those of children in single-parent families and low-income families." Despite these more positive outcomes for children from two-parent families and higher-income families, *Snapshots II* did find, however, that the only significant national improvements in child well-being since 1997 occurred for low-income 12- to 17-year-olds. A larger share of this group was highly engaged in school in 1999 (34%, up from 30% in 1997) and a smaller proportion of this group showed high levels of emotional and behavioral problems (10% in 1999, down from 15% in 1997).

- For further discussion of the NSAF 1999 findings, join the Feb 23, 2001 CLASP audio conference with Alan Weil, Urban Institute's Director of Assessing the New Federalism. See enclosed 2001 Audio Conference brochure for details.

## REPRODUCTIVE HEALTH NEWS: New Trends in Nonmarital Childbearing

During the 1990s, the overall level of nonmarital childbearing stabilized, or slowed its rate of increase, after rising dramatically since the 1940s. While the past decade has been characterized by this slowed rate of increase in nommarital births, trends that began in 1994 show even greater divergence from the overall trends. Since 1994, the following nonmarital childbearing trends have clearly diverged from the historic overall increase in nonmarital childbearing:

- The percent of births to unmarried women, which increased with little interruption between 1940 and 1994, stabilized from 1994 to 1999, at about 33% in 1999.

- The birth rate for unmarried women, which rose more than 6 times from 1940 (7.1 births to unmarried women per 1,000 unmarried women age 15-44 years) to 1990 (43.8), fell by about 6 percent overall between 1994 and 1999.

Some of these changes can be attributed to changes in population and changes in birth rates for married women. As the population of unmarried women increased substantially from the mid 1960s through the early 1980s, due to the impact of the baby boom and the onset of the trend in postponing marriage, the percent of all births to unmarried women rose. This increase in the percent of all births to unmarried women resulted from an increase in the number of unmarried women and an increase in the number of births to unmarried women, in combination with a decrease in the number of married women and a decrease in the number of births to married women. In the mid-to late-1990s, however, the percent of births to unmarried women leveled off because although the population of unmarried women in the reproductive age continued to increase, birth rates for unmarried women stabilized and rates for married women rose.

Specifically, birth rates for unmarried teenagers have also declined since 1994.

- For unmarried teenagers 15-17 years old, the birth rate fell 16% from 1994 to 1998, while it declined less (8%) for older, unmarried teens 18-19 years-old.

- Prior to these declines, the birth rate for unmarried teens 15-17 years old rose 55% from 1980 to 1994, while the birth rate for unmarried teens 18-19 years old rose 80% from 1980 to 1994.

- While birth rates have dropped for unmarried non-Hispanic white, black, and Hispanic teenagers, they have declined the most for black teenagers.

Both stabilization in the proportion of teens who have ever had sexual intercourse and more effective use of contraception have contributed to declines in nonmarital pregnancy. In the 1990's, the proportion of teens that were sexually experienced leveled off or declined, contrary to the steady increases in this number over the past two decades, according to the NSFG and CDC's Youth Risk Behavior Surveys. Although unmarried teenagers at risk of unintended pregnancy were not significantly more likely to be using a method of contraception in 1995 than they were in 1988, over this time period, teenagers did become more likely to have used contraception at first intercourse.

- Adapted from *Nonmarital Childbearing in the United States, 1940-1999*, National Vital Statistics Reports, Vol 48, # 16.

## NYCLU ALLEGES PREGNANT, PARENTING STUDENTS FACE BIAS IN SCHOOLS

Arguing that specialized schools designed for pregnant and parenting students are academically weaker, the New York Civil Liberties Union accused New York City school counselors and teachers of "routinely" discriminating against those students by encouraging them to leave mainstream schools for specialized programs, the AP/Washington Post reports. NYCLU interns posing as pregnant students contacted mainstream schools asking to register, and many were strongly urged by administrators and staff members to enroll at specialized schools (AP/Washington Post, 12/3). The New York Daily News reports that 28 public high schools were surveyed; among which administrators at three told students they could not attend and another eight told students they could enroll, but were "discouraged from doing so" (Allen, New York Daily News, 12/3). Donna Lieberman of the NYCLU said that some schools responded, "Absolutely not. ... This isn't a school for you, you should go to a pregnant school." Lieberman also argued that while specialized schools "might be appropriate for some students," they were not appropriate for all, adding that mainstream high schools needed to "provide the support that pregnant students ... and parenting teens need to complete their education" (AP/Washington Post, 12/3). On Dec. 1, Lieberman and NYCLU Executive Director Norman Siegel sent a letter to Schools Chancellor Harold Levy requesting to meet with him, to which Levy counter offered a meeting with Marie Torchia, the principal of the Program for Pregnant and Parenting Teens. The NYCLU declined, saying that Levy had "missed the point." Lieberman noted, "Pregnant teens have as much right as other students to ... finish their education" (New York Daily News, 12/3). The New York Board of Education had no immediate comment, and when contacted on Dec. 2, spokeswoman Pamela McDonald said she could not provide statistics on the number of pregnant and parenting students in the 1.1 million student public school system, because school records were inaccessible over the weekends. Complaints from school social workers, teachers, guidance counselors and students prompted the NYCLU to conduct its informal survey (AP/Washington Post, 12/2).

- Reprinted from *Kaiser Reproductive Health News Daily Update*, December 5, 2000 daily report.

## SPECIAL NEEDS CHILDREN: WASHINGTON’S INITIATIVE

**Working While Parenting Specials Needs Children**

In Washington, advocates have formed an innovative program in order to be responsive to families who have children with special needs and come in contact with the state welfare system. According to Jan Fleming, manager of the Children with Special Needs Program at the Washington State Department of Health, the need was recognized at the grassroots level. Public health nurses working with the families were hearing from mothers of children with special needs that they were being sanctioned for failure to comply with Washington’s WorkFirst initiative. However, the inability to comply was often due to difficulties meeting the work requirements while providing for their special needs children. Despite the availability of deferred participation, some families appeared to be falling through the cracks. The nurses, together with child and welfare advocates, formed a grassroots effort to

> The inability to comply was often due to difficulties meeting the [WorkFirst] work requirements while providing for their special needs children.

address the gap in services and loss of support that these families were facing. They wrote a grant and developed a new initiative for the families where local WorkFirst programs contract with the local public health agencies using TANF funds.

The advocates formed a statewide workgroup with representatives from a variety of groups including Washington's WorkFirst, public health nursing supervisors, local Children with Special Health Needs Programs, Infant Toddler Early Intervention Program, Developmental Disabilities Council, the Office of Child Care Policy and the state Department of Health. The workgroup then developed policies, protocol, and training for the initiative. Statewide training was developed and provided by region to TANF caseworkers.

Ms. Fleming stated, "An important variable in the training was that it involved parents from across the state who have children with special needs. This allowed those in training to develop a better understanding of what parents are dealing with, especially the critical lack of appropriate child care for these children." In addition, medical information provided by the nurses has improved understanding for case managers of the reality of caring for a child with special needs on a daily basis.

**Implementation**

The training occurred in the summer and fall of 1999. Thereafter, the program was implemented through a pilot project first in one region. When an applicant or recipient of TANF has a special needs child, the WorkFirst case manager makes a referral to the public health nurse. The nurse visits the family and assesses the child's needs in terms of the ability of the parent to go to work. The nurse then makes a recommendation to the case worker based on the assessment. Issues that are present with other families, such as difficulty finding child care and lack of flexibility in the work environment, are exacerbated for these families and can dramatically affect their ability to meet required activities.

In less than a year since the program was implemented, approximately 325 children have been referred for assessments by public health nurses. Of those children, 49% had a primary physical health condition, 36 % had a primary mental health/behavioral condition, and 15% had a combination of physical and mental/behavioral conditions.

The program has had impacts on various levels in efforts to improve services to these children and their families. With regard to TANF, some of the families are given waivers from work activities, whereas previously they may just have been sanctioned. Other families are provided more flexibility in the activities that can be considered work-related rather than being sanctioned. There remains, however, an issue of concern for families who are given waivers regarding work participation. The sixty month clock does continue to toll, therefore, families who have children with special needs will be one category that will be considered for time limit extensions.

Fleming reports that nurses have reported qualitative data about the families and the success of the program. For example, some of the families that are referred to the nurses have not been formerly connected with local providers of services for children with special needs. Therefore, contact with the nurses has helped to link families with these resources, such as SSI, therapy, and respite programs.  Third, local health jurisdictions and community service offices have formed new partnerships in many communities as a result of collaboration surrounding the initiative.

According to Fleming, "Lots of people could do the same thing in other areas of the country."

- For more information, contact Jan Fleming at the Washington Department of Health, Jan.Fleming@doh.wa.gov or (360)236-3521.

## NEW FROM CLASP

**Welfare Reauthorization: An Early Guide to the Issues** by Mark Greenberg, Jodie Levin-Epstein, Rutledge Hutson, Theodora Ooms, Rachel Schumacher, Vicki Turetsky, David Engstrom. In 2002, Congress will need to address the reauthorization of TANF. At the same time, Congress will also face reauthorization of the Child Care and Development Block Grant, and the Food Stamp Program, and the 2002 discussions may also encompass issues concerning child support, child welfare, immigrant eligibility for public benefits, marriage and family formation, and the Medicaid program. In this article, CLASP staff summarize the key features of the 1996 welfare law, principal developments since enactment of the law, and many of the potential issues that may be before Congress in 2002 as a result of the experience since 1996. Available at http://www.clasp.org/pubs/TANF/packa.htm.

**New Studies on Child Support Cooperation Requirements** by Paula Roberts is an overview of five studies issued by the Department of Health and Human Services Office of Inspector General (OIG) on the implementation of the PRWORA changes that deal with child support cooperation and good cause exceptions in the TANF program and a study that deal with those changes in the Medicaid program. (Copies of the OIG reports are available at http://www.dhhs.gov/progorg/oei/.)  Released November 2000.

**Biology and Beyond: The Case for Passage of the New Uniform Parentage Act** by Paula Roberts, with assistance from Nicole Williams, is a description of the provisions, of the new UPA, that address the paternity of marital children; the paternity of non-marital children; and the need for paternity registries. Parentage in the context of assisted reproduction and surrogacy is also considered. In conclusion is a section-by-section description of the new UPA. Released October 2000. Available at http://www.clasp.org/pubs/childenforce/Biology%20and%20Beyond.PDF .